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The Nation's Business

We Are Still Nowhere On Man-power Issue

Practically every Canadian who voted yes in the recent plebiscite had only one thought in mind. They thought by so voting they were removing the last barrier to military conscription for overseas service, the only real obstacle to a full-out war effort by this senior dominion of the British Empire.

Prime Minister King in his plebiscite speeches certainly implied that this was the obstacle that an affirmative vote would sweep away, and the outside world had the same impression. Yet the plebiscite is nearly a month old and our official position regarding military commitments overseas remains little changed.

The whole attitude savors of stalling, of a stubborn refusal on the part of the government to face the issue of reorienting our man-power policy toward total war.

In the first place we had a plebiscite, which was never necessary, and stalled any decisive action for at least six precious weeks. Next comes the repeal of Section 3, of the National Resources Mobilization Act, which stipulates that men drafted in Canada are for home defense only. The bill to repeal this restriction is now before parliament and may not face final reading for another two weeks. But even with Section 3 out of the way, a third step will be necessary. Reserve Army Regulations must be amended to clear the status of the 30,000 men already called up in Canada or who will be called up before Section 3 is repealed. This final hurdle may stall decisive action for another three weeks.

These amendments, really the natural follow-up of the plebiscite, must be pushed through at once if this country is to be put on the all-out war footing which the plebiscite results demanded.

Instead of treating this matter with the speed and urgency it warrants, there has been a tendency on the part of the government to sit back and ride along on the crest of the present wave of voluntary enlistment, which fear of conscription has generated.

This attitude is getting us nowhere. If continued indefinitely voluntary recruiting will dry up to the proportions prevailing before the plebiscite and we will be no nearer the full use of the country's man power than before. The biggest possible supply of fully equipped, fully trained men, available for service on any front is needed now. We cannot afford any more stalling.

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SHOULD CANADIANIZE OUR AIR FORCE

Air Minister Power has asked support in his efforts to Canadianize the Royal Canadian Air Force overseas. Instead of having the bulk of Canadian air crews flow into a general R.A.F. pool in Britain, as at present, Mr. Power would form these into solid Canadian air squadrons, officered, manned and directed by Canadians, to co-operate with the Royal Air Force and fight under general R.A.F. strategy. Mr. Power's plea for such a development deserves general support.

The only plausible argument advanced against such a natural development has been that, in the broader field of the Royal Air Force, in which Canadian airmen overseas have been largely incorporated, there is more opportunity to rise to senior command. There have, however, been few if any cases so far reported of such promotions.

This is more than just a question of personal publicity for Canadian airmen. As a matter of fact the exploits of individual Canadians in raids over Europe, are now fully reported both in the Canadian and American press, although Britain still refrains from making heroes of any of her individual air fighters. The whole matter involves the much more vital factor of morale.

With all due respect to the exploits of the odd Canadian units that were integrated with Imperial forces during the early stages of the first Great War, Canadian troops of a quarter of a century ago did not begin to pull their full weight until they were brigaded and fought together.

There is little chance for the development of a real esprit de corps which is so essential for full military success, unless the men from the same Dominion fight as complete units. Organized as such there will be more opportunity for friendly competition and real team play and less for petty jealousy and criticism, justified or otherwise.

Canadian and Imperial troops fought side by side in the last war and with the fullest mutual respect. Each guarded their own front, each ran their own individual shows and accepted fullest responsibility for the same. There was never any question of the Canadians letting anyone down. The whole democratic world was well satisfied with the results and it will be equally well satisfied with the results obtained if Canadian airmen are organized to retain their identity in fully Canadian squadrons in this war.

Air squadrons attached to our troops overseas have already been fully Canadianized. Without any loss of time or detriment to the war effort, practically all Canadian air crews can be similarly treated. Canadians are not novices at war in the air. They are fully capable of manning and directing their own squadrons. They should be given that opportunity as soon as it can be practically accomplished.

And Mr. Power brought up another important point, the present haphazard way of awarding air commissions. His views here are also worthy of general support. Air crews are all together on their perilous flights over enemy territory, yet some have commissions, some have not. So far as the R. C. A. F. is concerned there should not be one entrance for "players" and another for "gentlemen." As Mr. Power phrased it, "there is neither rhyme nor reason nor common sense" about the present system.

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DOLLAR-A-YEAR MEN AND BIG BUSINESS

In the House of Commons the other day a question was asked regarding the number of dollar-a-year men and the war orders received by the various companies with which these men were associated prior to the government drafting their services. The implication was obvious, that there was a sinister connection between the fact that big business was contributing most of the dollar-a-year government advisers as well as most of the war equipment that Canada was buying from private manufacturers.

No evidence has been unearthed to support such a general accusation. The one case of special influence being used or promised has been promptly and properly dealt with by the authorities. Moreover, it did not involve a company of the size the public usually associates with the term big business at all.

The Dominion government's connection with private industry and its choosing of dollar-a-year advisers is perfectly natural and hardly needs explanation. To get war equipment quickly and in greatest volume the great bulk of the goods had to come from the country's largest plants, just as the great bulk of our peacetime goods comes from the same plants. And to get experts to supervise these orders and to direct the huge new public war plants that were necessary to turn out completely new lines, the government again had to go to the largest companies for here only could it find any substantial reservoir of executive ability.

Take the head away from a one man business and who is left to carry on? The government simply had to go to the larger firms for a big proportion of its experienced dollar-a-year men and it is small thanks for the excellent job that these men have done to impute something sinister in the very background that makes them valuable.

Morale Plan Is Now on Big Scale

Programme of Munitions and Supply Extensive — Ralph Bell Scheme Separate

By STAFF WRITER

OTTAWA.—One of the most important features of Canada's war production programme in 1942 has been a country-wide departmental "morale" campaign carried on since January 1.

This is a morale-building programme quite separate from the Ralph Bell-E. G. Hirst morale programme for the aircraft industry.

Involving a budget estimated unofficially in the neighborhood of $250,000, the Dept. of M. & S. campaign started with a war worker's New Year's resolution and has spread from newspaper, magazine and street-car advertising to plant posters, "spot" radio broadcasts in key plants, movie "shorts," etc.

The programme had its origin early last November when a group of high-ranking production chiefs and senior officials in the Department of Munitions & Supply met to discuss means of meeting a trend toward "flatness" in the mounting curve of Canada's industrial war effort.

Out of this meeting came the decision that whatever was done should be handled by experts in the field of public relations and should be a general campaign aimed at strengthening public and more especially "worker" morale.

Rebates Commissions

Mechanics of the programme have been in charge of Herbert Webb of the Cockfield Brown organization, working on a non-profit basis. His services and the services of several assistants have been donated free. Customary commissions have been rebated to the government.

One of the most successful features of the programme has been a weekly half-hour broadcast which originates inside typical Canadian industries.

A series of ten movie shorts is now in production. One of these, "Thank You, Joe" has already been shown.

The aircraft "morale" programme undertaken by E. G. Hirst under Ralph Bell, director general of aircraft production, was an effort independent of the general programme. Some of the work in aircraft plants pre-dated by many months the general campaign, individual aircraft firms having contributed a series of brilliant and inspiring posters for use in various plants.

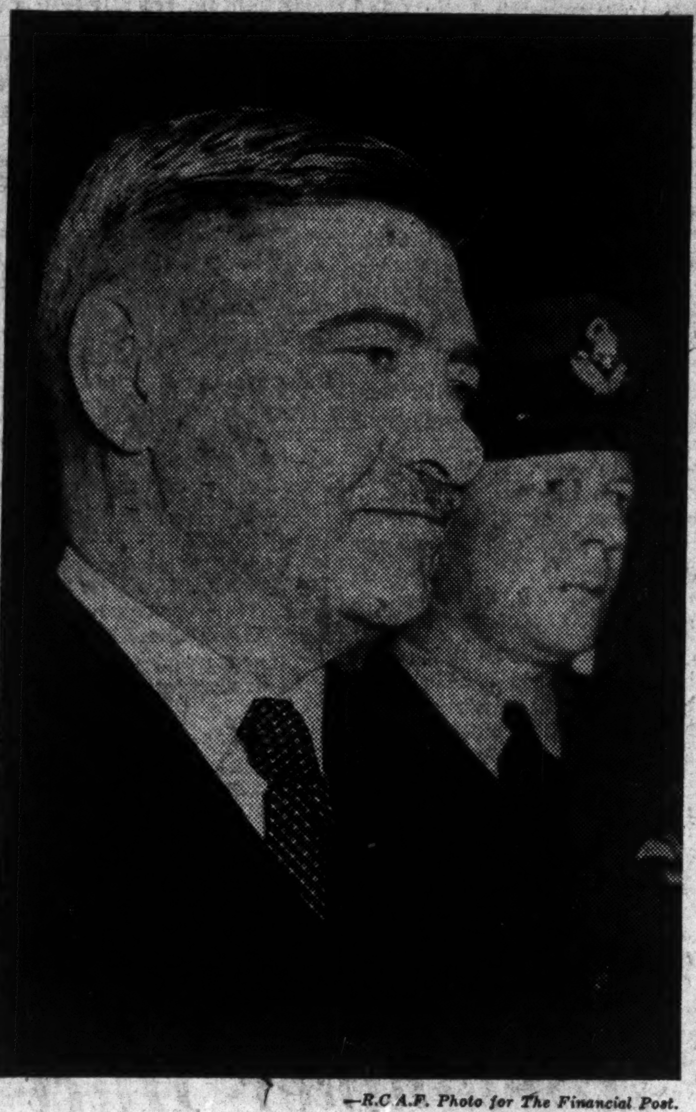
Seek to Further Voluntary Plan For Rationing

By STAFF WRITER

OTTAWA.—A new important announcement seeking further public co-operation for additional voluntary rationing measures is expected to be made over the week end, The Financial Post is informed.

The outstanding success of the sugar programme has led to a belief that Canadians are willing and anxious to co-operate along voluntary lines whenever a clear-cut programme of curtailment is presented to them and whenever the amount of merchandise available is sufficient to meet reasonable public needs.

Head Man for "Airdrome of Democracy"



—R.C.A.F. Photo for The Financial Post.

Chairman of the historic United Nations Air Conference which opened in Ottawa this week is Major the Hon. Charles Gavin Power, whom mostly everybody knows as "Chubby." Big, broad-shouldered, swarthy, he has been Canada's minister of national defense for air for more than two years. President Roosevelt has called Canada "The Airdrome of Democracy." Power has played a major part in making Canada rate that description. To him goes much of the credit for the fact that the British Commonwealth Air Training Plan is far ahead of a schedule few believed could be achieved.

U.S. Money For B.C. Railway

Plan Would Extend It to Alaska and to U. S.

From Our Own Correspondent

VANCOUVER.—Wartime traffic has greatly increased the activity of British Columbia's Pacific Great Eastern Railway, and in the new military and economic strategy that has given the north unprecedented importance, the railroad has assumed such significance that American railroad capitalists are reported ready to make a deal for it.

If the terms are satisfactory to the provincial government, which has an investment of some $80 millions in the road, the new owners would build the necessary link to connect the present southern terminus at Squamish with Vancouver, then extend the line north from Quesnel, through northern British Columbia and the Yukon to Alaska, providing a new overland transport route to Uncle Sam's growing stake in the north.

Identity of the interests ready to acquire the road has not been disclosed, but Adam Smith Johnston, Vancouver lawyer who has been representing them, says that they are mostly wealthy and influential railroad men of New York and Chicago with extensive interest in operating roads.

Hart at Ottawa

When Premier John Hart went to Ottawa last week it was stated that he was primarily interested in plans for taking care of the bond issues maturing this summer, but it would not be surprising if his trip had a wider significance with respect to the P.G.E. and that one of the matters he will discuss is the possibility of getting Ottawa authority for extension of the road through the Yukon.

The Pacific Great Eastern Railway has been British Columbia's biggest political and economic issue for more than two decades, although in the past few years it has been subordinated by more pressing considerations of the war. It has been an exceedingly costly venture, and the province has made repeated efforts to dispose of the property, the late Premier John Oliver having once offered a land grant of 16 million acres to British interests if they would take it over. General "One-Armed" Sutton, last reported in the Far East manufacturing munitions for the Chinese, was one of those who played a leading role in the negotiations, which failed.

"Nowhere to Nowhere"

Heavy initial costs and lack of current funds for construction resulted in leaving the P.G.E. a "railway that began nowhere and ended nowhere," although in recent years its operating revenues have grown to the point where it shows a slight surplus over running costs. The road was originally intended to run from Vancouver to Prince George, with the prospect of further expansion northward. Construction was halted south of Squamish, on Howe Sound, and north of Quesnel.

When originally started, the promoters had an agreement with the G.T.P. in 1912 that all passenger, freight, express and mail traffic originating on the lines of the G.T.P. for Vancouver was to be routed over the P.G.E. Federal acquisition of the G.T.P. and outbreak of the war created an entirely new situation, and the provincial government decided to take the project over from the original promoters in 1918. By 1926 the net operating loss was $275,000, but this was reduced by 1932 to $68,000 and since then there has been a small operating profit, largely due to traffic created by the Bridge River gold mines.

Several times the provincial government of the day tried to dispose of the line to the Canadian National or to the Canadian Pacific, but there were no takers.

Spinney Welds Mighty Organization To Raise Money For Wartime Needs

By STAFF WRITER

OTTAWA.—New "unit" machinery for collecting $100 millions a month from Canadians by way of Victory Loans, War Savings and over-the-counter bonds of small denominations is being whipped into shape here and across Canada.

When the final blueprint is ready in a few weeks' time, Canada expects to have one of the finest, most scientific money-raising machines created in this or any democratic country.

It is a machine which will incorporate the experience and, in part, the personnel of more than two years of outstanding achievement in the field of war finance.

In it will be merged much of the professional and voluntary effort which has already raised nearly $2 billions in Victory Loan campaigns, and also the localized voluntary organization which has carried the War Savings programme since the early days of the war.

Unit of All Communities

Essence of the new organization is the formation of a thousand or more "unit" committees in the chief towns and cities of Canada.

Formation of these is now under way through strong provincial committees stemming out from the central National War Finance Committee chaired by George W. Spinney.

The aim is to set up autonomous local units comprising five departments: publicity, special names, employee canvass, administration and general sales. Large centres will include full-time "professionals." In smaller communities there will be increasing reliance on voluntary assistance. There will be a large degree of flexibility in order that the "unit" in each case will be well suited to local needs and conditions.

Centralized at Ottawa will be a national committee geared to assist each local unit in matters such as publicity, employee canvass, savings certificates, retail outlets for war stamps, etc. Thus, in these and other special fields, the local unit will reach up "vertically" to the central headquarters. Otherwise the unit organization will, in the main, be "horizontal."

May Collide With Budget

That Mr. Spinney and his new "unit" organization face a huge task is very fully appreciated here at Ottawa. In all probability, the 1942 budget will be ready or delivered just about the time the new organization is getting ready to function.

Undoubtedly the increased taxes which will be disclosed will tend to make Canadians feel they may have to curtail, rather than increase their savings. Yet the Spinney programme calls for almost double the amount of individual saving as in the past 12 months.

The direct impact which taxation has on war saving is seen in the sharp increase in war savings redemption during the months when Canadians were paying their income taxes. Redemption totals soared sharply at that time and are still running at a none too satisfactory rate, although there has been improvement in recent weeks. Bulk of these redemptions have been from employee payroll savings.

Set Formula For Pricing Used Cars.

Automobile Controller Works Out 'Scientific' Method of Establishing Old Car Value

By STAFF WRITER

OTTAWA.—The ceiling price of used cars has now for the first time been reduced to a "scientific" formula. The formula is contained in an order issued by J. H. Berry, Controller of Motor Vehicles.

The price is computed by taking a fixed percentage (varying with the age of the car) of the sum of the following items:

1. The factory price of a standard 1942 car of the same price and make.
2. Handling charge of $25.
3. Charge for accessories or equipment not included in the "standard" equipment.
4. Allowance for transportation charges to the place where vehicle is delivered.

Factory list prices for the three biggest sellers (Ford, Chevrolet and Plymouth) are approximately $1,250 on the 1942 sedan models. If you want to buy a standard 1940 model in one of these cars you would add $25 for handling charges plus the allowable delivery charge. (This charge ranges from $25 in southern Ontario to $190 in British Columbia). Thus the "base" price, if you live in Southern Ontario, would be $1,350. Since a 1940 model is now between two and three years old, the maximum price at which a

(Continued on page 2, col. 6)

Firms Lending Men Get 13% Contracts

By STAFF WRITER

OTTAWA.—About 13.7% of the total value of contracts placed on Canadian account by the Department of Munitions and Supply July, 1939, to Dec., 1941, went to firms which had loaned officers to the Dept. of M. & S. as "dollar-a-year" men, it is revealed in a return to the House of Commons.

The almost universal reaction here is that this is an unexpectedly low figure in view of the fact that the Canadian war effort would be puny and crippled without the co-operation of all firms; especially of those which had enough staff to be able to loan men and still carry on, and whose staff members stood in the very top rank of available ability.

The data came out following a question asked recently in the House of Commons by J. Sasseville Roy, M.P. for Gaspé, P.Q. Mr. Roy's question was styled, in part, as follows:

"Which dollar-a-year men still work for the firms or companies with which they were employed before entering the service of the government?

"Have any of such firms or companies received contracts from the government?"

The Department of Munitions and Supply tabulated a lengthy list of dollar-a-year men on its roster and then gave a list of 66 firms "specified" in the question.

The amount of business which came to these "specified" firms totals about $215 millions for the period July, 1939 to Dec., 1941. It covers only contracts placed on Canadian account. No figures for contracts placed on British accounts or on joint British and Canadian account are published at any time.

The $215 millions represents about 13.7% of the total value of contracts ($1,560 millions) placed on

(Continued on page 2, col. 3)

Says New Budget Will Be Stiffer Still

Report it Will be Brought Down Suddenly if Air Conference is Not Too Long — Expect More Luxury Taxes

By KENNETH R. WILSON

OTTAWA.—Political gossipers have been whispering of late that the budget will be sprung on Parliament right after the Air Conference and prior to the conscription debate on amendment of the National Resources Mobilization Act.

One answer may be found in the length of time the conference lasts.

Right now, it doesn't seem humanly possible for the budget to be ready before the first week in June. If the conference lasts that long, then it is possible (though not likely) that the budget will be introduced immediately at its close. If the conference breaks off in [illegible] days time (say about May 27) then it seems almost certain that Parliament will be asked to turn its attention to Clause three of the NRMA before it gets its next dish to digest.

One argument for a quick try at the budget is that the news which Mr. Ilsley is preparing for Canadian citizens and taxpayers is so bad that a mere conscription debate will appear relatively painless by comparison.

An early estimate of $3.5 billions as the total amount of the expenditure to be budgetted for, is now said to appear too low.

The current figure is placed nearer the $3.8 billions mark. Of this, Mr. Ilsley may try to raise as much as $1.8 billions by taxation—an increase of about $500 millions from the record total collected in the past year.

How will the money be raised?

The most probable tax increases are these:

1. Revision of the EPT on corporations to a sliding scale of 40 to 90 or 100%, compared with the present 40 to 75%. (Total effective tax rate including regular and EPT can reach 79½% on present taxes.)
2. Increase in the national defense tax.
3. Further scaling up of personal income taxes by lowering exemption and increasing rates at lower levels.
4. Removal of certain "luxury" goods from the price ceiling and imposition of heavy sumptuary taxes thereon.

One argument in favor of a budget prior to the debate on clause three of the NRMA, would be that it might strengthen Mr. King's hand for conscription of man power if he could point to a 100% conscription of corporation profits.

It has long been mooted that Mr. King will not finally commit himself to all-out conscription of man power for overseas service without some important prior gesture toward conscription of wealth. It seems clear, of course, that the removal of clause three does not involve conscription unless a further legislative step is taken. Presumably the budget will at least be submitted prior to the introduction of that further step.

Coleman Says Railways Can Meet War Pressure

Railway transport facilities now available in the United States and Canada can take care of all wartime traffic, according to D. C. Coleman, president of the Canadian Pacific Railway Co., in an interview with The Financial Post.

"The problem of handling traffic arising from the war," he added, "is not one of rail transport as much as it is one of shipping space to get materials to the war front. If there is any bottleneck in transport, it won't be the railways, but shipping."

Task of the railways is increased, Mr. Coleman pointed out, by the divergence of traffic to rails from highways and lake and river vessels.

Asked if the railways would be able to retain part or all of this traffic which was now coming back from other forms of transport, Mr. Coleman mentioned that "even before the war some of this traffic was being reclaimed through faster train schedules and pick-up and delivery service. Whether we will be able permanently to retain this traffic depends upon many factors, which, at this time, cannot be appraised," he said.

Mr. Coleman declined at this time to say anything about rail unification plans. "We are now fighting a war for our very existence," he said, "and it seems rather futile to think of anything but the immediate job in hand," he said.

"Flights across the Atlantic and the Pacific are an every-day actuality and air transport is a factor which cannot be overlooked in formulating our shipping policy after the war," Mr. Coleman declared when asked about postwar policies.

Asked if C.P.R. common shareholders might have to wait until after the war before they received dividends, Mr. Coleman said: "Not necessarily, but at the moment it is wiser to husband resources."

"We have debt maturities to meet, and as it is impossible for private companies to carry out public financing, we will have to look after these obligations from our own resources. We are setting up reserves now to take care of maintenance which has had to be deferred in order to avoid competition with the government for labor and materials. We will need cash reserves to take care of the postwar adjustment."

Gold Mines Get Break Fear Bad One Ahead

What looked like a really favorable development on the gold mines equipment priority situation came from the U. S. War Production Board this week, but Canadian gold miners are inclined to feel that even if the new priority rating does hold, some forced cut in gold production may not be far behind.

Under U. S. priority preference rating Order P-56—which grants high priority ratings for mining machinery—mines whose output was more than 30% gold and silver in value had been barred from use of the priority. This made it necessary for gold mines to get their requirements under a poorer rating.

The special clause which barred gold and silver mines from Order P-56, however, was removed with a rewording of the rating early this week. P-56 has been approved by Washington for Canadian use but possibly a further approval may be necessary for Canadian gold mines to come under it with the latest amendment.

It is understood that the proposal that Canada cut its gold production was the subject, among other things, of a Washington meeting on Tuesday. If such a cut comes, it is believed now that it will definitely be based on a reduction in tonnage.

Some mining men point out that Canadian gold production has already turned substantially lower, but it appears that the reduction in gold output by "natural causes" isn't sufficient to satisfy some United States authorities who feel that this is the time to scrimp on steel for peacetime uses.

The South African situation is understood to have been an important factor preventing reaching a settlement on the gold production question so far. South Africa uses 200,000 tons of steel a year in its gold mining industry but, as General Jan Smuts is reported to have pointed out, to force a cut in gold production there would be to court political upheaval.

If the reduction in output comes, it may exempt South Africa due to specially volatile political conditions there.

Soon Canadian gold operators may go to Washington to discuss the situation with the men there at first hand. It has been suggested that a leading operator go from each mining camp. One mining man suggests it might be best to have two, one man for the big operators and another to look after the interests of the "little fellows."

Ace 2 Abandoned Board Reports

Ace Royalties No. 2 well, important north Turner Valley test, is reported abandoned in the weekly drilling progress report of the Alberta Conservation Board. The terse board record reads as follows:

"Abandoned, hole filled with drilling mud to 530 ft. Set cement plug 490-530 ft. C. 25."

Previously the well was reported as having reached a depth of over 8,000 ft. still in the Belly River formation. The Ace 2 well—nine miles north of proven productive ground—was drilled latterly with government tax concession assistance. A number of other wells are drilling either north of Ace 2 or on proved ground to the south.

MEN'S SHOP

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MEN'S SHOP

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Win the War First, Then Make New Society, Says Blair Gordon

Absence of the profit motive resulting in a change in the present way of doing things would be to court disaster, according to G. Blair Gordon, president of Dominion Textile Co., speaking at the joint meeting in Hamilton of the Ontario Section of the Canadian Association of Textile Colorists and Chemists and the Western Division of the Textile Society of Canada.

With price controls eliminating opportunities for most of Canadian businesses to adjust selling prices to rising costs, industry is "placed in a position from which grave damage can come to us unless we are mindful of our peril," he said.

"The general situation is such that it makes little difference to the balance sheet at the end of the year whether we continue to exert every effort to operate efficiently and economically, or slack off and allow extravagance and waste to creep in, as they surely will if given a chance to do so."

Business Pays Way

Mr. Gordon referred to the attitude. "What's the use—the government takes all (profit) in taxes anyway." To this, he asserted, the answer remains:

"The government needs it and the bigger the tax a company has to pay, the better the job it is doing for itself. It may seem funny for me to be standing here talking about the moral and national value of profits, but if you take a look at the extent to which the government is relying on revenue from corporate taxation to carry on, you will know I am not drawing the long bow.

"We can best serve our country and our Allies by concentrating our energies on the job at hand rather than by attempting to formulate a new way of life to be entered into when the war has been won.

"That section of the road which we are moving along at present has, from a business standpoint, become more like a railway than a highway, or if you prefer a saltier atmosphere, we are now proceeding in convoy instead of charting our own course."

Shareholder Forgotten

Mr. Gordon devoted part of his talk to groups who seek to turn "each changing fortune of war to furtherance of their doctrines. He said he had yet to find that persons who "inveigh most loudly against so-called big business have any realistic conception of what they are attacking."

If they are aiming at owners, Mr. Gordon went on to say, they are engaging large numbers of inoffensive and practically defenseless people.

"The man who has put his money into a farm is well represented at Ottawa, and so, too, is the fisherman who, either by himself, or along with his fellows, has acquired ownership of a boat and gear, and what real representation has the modest shareholder or insurance policyholder who, together with hundreds of thousands of his kind, are the actual owners of most of our larger Canadian companies? Possibly it is because such a type of ownership is known to few and is only represented for each individual by a piece of paper out of sight somewhere, rather than by something evident and tangible forming part of his daily existence, that no coherent, articulate voice is raised in Parliament and elsewhere on their behalf," he declared.

Obituaries

Major Charles A. Boone, at Toronto, aged 63, president, C. S. Boone Dredging & Construction Co.

W. H. Buscombe, at Toronto, aged 56, secretary and director, Wellington Fire Insurance Co., secretary of the Federal Fire Insurance Co., director of the Consolidated Fire & Casualty Insurance Co. and an official of Shaw & Begg Ltd., Toronto.

L. A. S. Wood, at Cleveland, Ohio, chief lighting engineer, Westinghouse Electric and Manufacturing Co.

DIVIDEND NOTICES

Beattie Gold Mines (Quebec) Limited

(No Personal Liability)

25 King Street West, Toronto

DIVIDEND NO. 18

NOTICE IS HEREBY GIVEN that a dividend of 3 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on June 26th, 1942, to shareholders of record June 4th, 1942.

By Order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

May 19th, 1942.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 22

Notice is hereby given that a quarterly dividend, amounting to three cents per share for the second quarter of 1942, has been declared payable June 15th, 1942, to shareholders of record at the close of business June 1st, 1942.

By order of the Board.

H. M. ANDERSON,
Secretary-Treasurer.

Toronto, Ont., May 14th, 1942.

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The War and Business . . .

Comes the War

A Toronto man went downtown this week to make four purchases. Here is his experience:

A paint brush: No all-bristle brushes left in the size he wanted. He took one that was 50% horsehair.

A tin of brown enamel: The particular color he wanted is out of stock for the duration.

A fountain pen: The make he asked for is no longer available. It is made in the U.S.A. and is no longer imported. (The clerk was not clear as to whether this was due an import embargo by Canada or an export embargo by the U.S.)

Three tennis balls: None in stock. "We'll be having some in next week but you'll have to bring an old one in for each new one."

* * *

Staggered Vacations

Canada's Civil Service is being called on to set an example in curtailing week-end travelling and spreading vacations beyond the months of July and August. E. H. Coleman, Under-Secretary of State, announces the government is staggering annual vacation leaves throughout the year and, wherever possible, starting holiday and vacation trips on Tuesdays, Wednesdays and Thursdays, rather than at the week ends. Vacation leaves of government departments are to be scheduled throughout the twelve months of the year to avoid congestion of vacation travel during the months of July and August.

* * *

What's in a Name

News item in U. S. papers.—The Steel Workers Organizing Committee (S.W.O.C.) will change its name under a permanent organization to be known as United Steel Workers of America (U.S.A.).

Dairy Output Slips

Dairy statistics so far this year are not too comforting. During the first four months to the end of April, there was a decline of nearly 8.5% in production of butter. Big gains were registered in Saskatchewan and Prince Edward Island, but still larger percentage losses in Ontario and Quebec—the major producers—more than offset the increases.

In cheese, production of which is largely earmarked for Great Britain, a huge percentage gain was registered for the first third of the year, but as this occurred in the off season for cheese making, it is not regarded as too significant. Much will depend on production in the current month and the three following it.

Shortage of labor and drought which hit crops in Central Canada last summer are believed largely responsible for the slackening in butter production so far this year. Now, however, with cattle on new and luxuriant grass, earlier than usual, and promise of heavy hay crops, the situation may be expected to improve. Farm labor difficulties continue, however, it being especially difficult to obtain the skilled help necessary in dairying.

* * *

Dogs Live Longer

Restrictions on motoring have been a godsend to city dogs. Normally mortality runs about 10 to 20% but licensing authorities this spring report a big increase in business chiefly because Fido now has more than a 50-50 chance of making intact the opposite curb.

* * *

More Woes For Motorists

Troubles for the motorist are only beginning, according to reliable opinion at Washington and Ottawa. The United States government which ordered some rationing of gasoline in sections of the Eastern seaboard states this week, is expected to take the lead.

Gasoline rationing in the United States, it is reported, is to be made nation wide very shortly which would bring that country up to a par with our own. Very shortly, it is also predicted, size of the rations will be cut down. In the restricted area of the Eastern States the basic allowance is only a little over half that allowed in Canada, aside from the recently restricted Maritime Provinces, and if this is the foundation for the national rationing scheme, then further cuts in Canada are believed certain.

But gasoline is only one part of the programme. Rubber is getting critically short in both United States and Canada and some sort of official confiscation of tires at least on unused cars is being seriously mooted, despite official denials.

* * *

Paper to the Rescue

Paper is coming to the rescue of tin and jute, supplies of which have either been cut off or imperilled by the Japanese conquests in the far east. Those dry food products, like coffee, dehydrated fruit and vegetables, cocoa, baking powder, etc., which formerly reached the consumer packed in light tin containers now come in cardboard cartons, sometimes with a tin top or just plain paper bags.

Paper bags will also be used to replace to some extent those formerly made of jute which were used to pack fertilizer, livestock feed, potatoes, wool, etc. Because of filling difficulties, so far paper bags have not been found satisfactory for all the products that normally go into jute bags, but with finely ground stuff like fertilizer, it is believed that they will be satisfactory.

If Soldier Hitch-hiker Hurt Crown May Sue Car Driver

By STAFF WRITER

OTTAWA.—According to legal opinion given by law officers of the Crown to the Department of National Defense, the government is free to sue car drivers who involve a hitch-hiking soldier in an accident.

This in spite of provincial restrictions to the contrary.

Actually the government has never taken this power so far as court actions are concerned, The Financial Post is informed. But it claims to have such power and to have used it to "request" from negligent car drivers a cash settlement of out-of-pocket expenses, etc.

Enquiries made by The Post indicate that the government would be reluctant to use the authority it claims to have, in respect of a court action.

"We can sue, according to the opinion of our officers, but whether we would or not is another matter," said one official.

He admitted that letters have been written to negligent car drivers who have involved hitch-hiking soldiers in accidents, explaining the circumstances and requesting a settlement in favor of the Crown where the government has been put to expense on account of the accident.

The legal opinion which is said to give the government overriding authority over contrary provincial legislation is said to be based on the fact that the Crown, in such circumstances, is the employer of these men.

Motorists may, of course, seek a remedy by adding passenger hazard insurance to their automobile policy if they have not already done so.

Ontario Legislation

This policy would appear to conflict with the principle of section 47 of the Ontario Highway Traffic Act which states that

". . . the owner or driver of a motor vehicle, other than a vehicle operated in the business of carrying passengers for compensation, shall not be liable for any loss or damage resulting from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from such motor vehicle."

Similar legislation is in force in New Brunswick. Other provinces except Quebec and Prince Edward Island require gross negligence to be proved before a claim will be valid. Quebec and Prince Edward Island have no special legislation giving protection to motorists in such cases.

Court Decision Would Clarify

The validity of a claim by the Department of National Defense would appear in view of the Ontario legislation to rest on the view taken by the courts of the position of the Crown.

Motorists carrying passenger hazard insurance are not affected by the ruling particularly as they are protected by their policy against a claim by the Crown as well as by a private person. Motorists not insured, however, would have to meet such a claim at their own expense, whether in the end the courts held the claim of the Crown valid or not.

Firms Lending Men Get 13% Contracts

(Continued from page 1)

Canadian account during the corresponding period.

Contracts Awarded to "Specified" Firms from July, 1939, to Dec., 1941 (Canadian Account Only)

	$
Atlas Steels, Ltd.	16,672,304
Algoma Steel Corp.	21,843,816
Beamish Sugar Refineries	......
Burlington Steel Co.	3,643
B. C. Manufacturing Co.	1,518
Coast Sawmills Ltd.	1,976
Consumers Glass, Ltd.	12,707
Clarke Steamship, Ltd.	2,651,342
Canada Iron Foundries, Ltd.	74,609
Canadian Pacific Railway	5,070,988
Canadian National Railways	4,398,985
Canadian Industries, Ltd.	1,068,294
Canadian International Paper	212,691
Canadian General Electric	11,921,566
Canada Cement Co.	464,542
Canadian Furnace, Ltd.	350,014
Canadian Allis Chalmers	2,803,667
Canadian General Lumber Co.	89,513
Cordage Distributors, Ltd.	321,706
Cockfield, Brown & Co.	229,655
Defence Industries, Ltd.	2,677,426
Deloro Smelting & Refining	9,544
Dominion Bridge Co.	1,068,086
Drummond & Co.	2,729
Dominion Steel & Coal Corp.	9,580,307
Dominion Rubber Co.	3,700,695
Estabrooke Ltd.	631,521
Eaton, T., Co. Ltd.	4,509,657
English Electric Co.	744,939
Goodyear Tire & Rubber Co.	5,401,637
General Motors of Canada	19,706,718
Greening, B., Wire	226,978
G. L. Griffiths & Sons, Ltd.	166
Goodrich Co., B. F.	1,257,811
Goodison Thresher Co.	34,675
Imperial Oil Co.	9,067,646
International Paints (Can.) Ltd.	332,437
Leslie, A. C., Co.	55,577
Lever Brothers Ltd.	33,024
Laidlaw Lumber Co.	329,496
Kennedy, Wm., & Sons	1,584,146
Manitoba Steel Foundries	324
Montreal Locomotive Wks. Ltd.	79,415,341
McKean, George & Co.	21,914
Montreal L. H. & P. Cons.	214
May & Baker (Canada) Ltd.	12,830
McCullough & Hogan, Ltd.	7,144
Moffats Ltd.	52,509
Nicholson & Cates	48,038
Ottawa Valley Lumber Co.	80,920
Ontario Steel Prod. Ltd.	17,142
Pickford & Black, Ltd.	5,431
Pembroke Shook Mills, Ltd.	158
Ross & McDonald (architects)	101,250
Ross (Henry), Ltd.	7,370
Hales, H. Ross	10,919
Shawinigan Chemicals, Ltd.	160,962
Steel Co. of Canada	755,846
St. John Dryd. & Shipbldg. Co.	4,483,092
St. Lawrence Rubber Co.	390
Staniforth Lumber Co.	5,270
Scoville Timber Co.	8,888
U. S. Steel Export Co.	364
Vilas Furniture Co.	59,253
Western Canada Flour Mills	71,621
Wilkinson & Kompass, Ltd.	23,167
Total	214,489,118

Immigrants Here Reduced 23%

Canada received a total of 8,865 immigrants in the fiscal year ending Mar. 31 as compared with 11,496 in the previous 12 months, it is shown by figures from the immigration branch of the Department of Mines and Resources. This was a decrease of 22.9%.

English, Irish, Scotch and Welsh immigrants numbered 2,182 as compared with 3,104, while 6,311 immigrants came from the U. S. as compared with 7,443 in the fiscal year ending Mar. 31, 1941.

There were 183 immigrants of Northern European origin, as against 312 in the previous year. They included 104 French and 23 Germans. Other races accounted for 189, as against 637. Of these, 111 were Hebrews. There were 284 Hebrew immigrants in the previous fiscal year.

York Knit. Sales Holding Steady

Business volume of York Knitting Mills Ltd. so far this year has run about even with a year ago, J. D. Woods, president, told the annual meeting. Sales volume is not expected to be higher than last year and may well be less. It is unlikely, according to Mr. Woods, that the supply of labor or materials will be such as to permit the company or the industry to meet the demand for finished goods.

While the elimination of pure silk had meant radical changes in the construction and design of full-fashioned hosiery the need had been anticipated to some extent and steps had already been taken when the situation finally materialized.

Raw cotton prices rose steadily in 1941 and are now far above the levels of a year ago. Wool prices have not advanced seriously over last year. Difficulty of securing delivery will curtail the supply of this important material, Mr. Woods said.

All directors were re-elected.

1941 Fire Loss Shows Increase

Sabotage Believed Cause in Only Three Industrial Fires in Canada

There were 48,609 fires in Canada in 1941 with an aggregate property loss of $28 millions according to the annual report of W. L. Clairmont, Dominion Fire Commissioner. The figures were presented at the annual meetings of the Association of Canadian Fire Marshals and the Dominion Fire Prevention Association at the Seigniory Club, Montebello, Que., this week.

This was an increase of 1,980 fires and $5.3 millions property loss over 1940. There was also an increase of 80 in the number of lives lost through fire, the total in 1941 rising to 323.

Striking feature of the report is the increase in the number of fires and the property loss in manufacturing establishments. Such fires were 429 greater at 1,591 in number and property loss $1.8 million greater at $5.9 millions. The increases, Mr. Clairmont said, were expected in view of the expansion in industry last year. In only three cases, he states, was the cause attributed to sabotage. In one of these the loss was negligible, while in the other two it was about $52,000.

There were 56 fires in which the loss exceeded $50,000, the aggregate loss in this group being $7.1 millions. In 1940 such fires numbered 46 and the property loss was $3.7 millions.

Largest single loss in 1941 was $824,090 at the military barracks at Saint John, N.B. Classification of fires follows:

	1941 Number	1941 Loss $
Residences	34,288	5,904,177
Mercantile props.	4,361	6,521,414
Farm props.	3,529	2,942,727
Mnfg. props.	1,591	5,937,071
Inst'l. bldgs.	511	1,647,739
Misc.	4,329	5,069,779
	48,609	28,042,907

New Formula For Pricing Used Cars

(Continued from page 1)

dealer can now sell it is 75% of $1,350 or $1,012.50.

The table of percentages allows:

100% for a car up to six months old (model years start in the October preceding the car year);

95% for a car six months to a year old.

85% for a car one to two years old.

75% between two and three years.

65% if three to four years.

55% for four to five years.

50% from five to six years.

45% for six to seven years.

40% for seven to eight years.

35% for eight to nine years old.

Delivery charges allowable are as follows: for a car delivered anywhere in British Columbia $190; in Alberta, $170; in Saskatchewan, $140; in Manitoba, $100; in Quebec, $50; in the Maritimes, $60; in north west Ontario, $75; in north central Ontario, $50.

It is pointed out, of course, that the "formula" does not apply to cars offered for sale, but merely sets a maximum price for cars offered for resale.

Company Reports

Invest. Foundation

Investment Foundation Co.'s financial statement for the year ended March 31, 1942, shows moderate reduction in earnings, while the liquidating value of the common at $1.13 a share, compared with $4.26 at the end of March, 1941.

Total revenue of $133,881, compared with $140,489 a year ago. Net available on the common stock amounted to 43c. a share, as against 49c. a share the year before.

Market value of the company's portfolio, carried at $2,582,523 was $1,489,808. This compares with $2,638,988 and $1,765,868, respectively, a year ago.

Income and Surplus Account Years Ended March 31

	1942 $	1941 $
Gross income	133,881	140,489
Less: Exps. & taxes	17,015	18,157
Net income	116,865	122,330
Less: Pfd. divds.	86,340	*102,386
Balance	30,525	19,944
Previous surplus	27,936	7,992
Surplus forward	58,461	27,936

*Including 50 cents a share on arrears.

Balance Sheet Changes

	$	$
Cash	30,838	17,084
Investments	2,582,523	2,638,988
Preferred stocks	1,428,050	1,458,650

Inter. Paper

International Paper Co.'s consolidated profit and loss statement for the three months ended March 31, 1942, shows income from all sources at $62 millions, an increase of 50% over the like period in 1941. After provision for cost of sale and other charges, including an increase of nearly $7 millions in taxes, net income of $4.7 millions compared with $4 millions in the first quarter of 1941. This year a special tax reserve of $2.2 millions was set up to take care of possible increases, leaving net profit of $2,469,895. This contrasts with $3,546,842, after special reserve of $500,000 for taxes, in the like period last year.

Cons. Profit and Loss Account Three Months Ended March 31

	1942 $	1941 $
Sales	62,013,848	44,072,552
Cost & expenses	44,115,645	33,717,869
Net revenue	17,898,203	10,354,682
Less: Bond interest	701,551	714,217
Other interest	3,317	2,318
Debt discount	61,907	83,732
Depletion	210,198	209,220
Depreciation	2,555,850	2,708,316
Sub. dividends	......	8,499
Accrued divds.	1,734	6,017
U. S. Taxes	8,409,706	2,150,664
State taxes	182,213	158,799
Canadian taxes	1,062,416	266,078
Net income	4,709,310	4,046,822
Less: Tax reserve	2,239,415	500,000
Net profit	2,469,895	3,546,822

Gananoque 1942 tax rate has been set at 52 mills compared with 56 mills in 1941. Some further reduction has been forecast as a probability for 1943.

Investor's Index

May 23, 1942

Abitibi	4	Gatineau Pwr.	14
Acadia Sugar	4	Goderich Elev.	11
Algoma Central	4, 5	Hunt's	13
Andian Nat'l. C.	14	Imperial Oil	5
Atlantic Sugar	4	Inter-City Bak.	5
Bell Telephone	5	Inter. Pete.	11
Brazilian Tract'n	5	Inter. State Rlty.	5
T. G. Bright	5	Inves. Foundat'n	2
B. C. Elec. Rly.	14	Lord Nelson Htl.	11
Can. Steamship	11	Massey-Harris	11
Can. Cottons	4, 11	Minn. St. P. Ry.	13
Can. Gen. Inves.	11	Mtl. L. H. & Pr.	5
Can. Ind. Alco'l	11	Ottawa Light	11
Can. Invest. Fd.	11	Paton Manufac.	5
Can. Locomotive	5	Tip Top Tailors	11
C. P. R.	4, 7, 11, 14	Walkerville Br.	11
Chas. Gurd	4	Waterloo Mfg.	11
Consol. Paper	5	Westnghse. Neon	14
Dosco	11	Winnipeg Elec.	5, 11
Economic Invest.	11	York Knitting	2

MINES AND OILS

Abasand Oils	15	McV'tie-Graham	14
Ace Oils	1	Michipicot. Iron	15
Base Metals	15	Mining Corp.	15
Castle-Treth.	14	Normetal	15
Cons. Smelt.	14, 15	Omega Gold	14
De Santis Porc.	14	Powell-Rouyn.	14
Gold Belt	15	Sherritt Gordon	15
Hard Rock	15	Sudbury Basin	14
Howey	15	Temiskaming M.	14
Jerome	15	Thompson-Lund.	15
Kiena	15	Toburn	15
La Luz	15	United Gold Eq.	15
Lebel Oro	15	Ventures	14
Leitch	15	Pacific Grt. East.	1
McIntyre Porc.	14		

REGULAR FEATURES

Banking 8
Bonds 5
Bond Quotations 12
Business, Week in 7
Company Reports 2, 11
Editorial 6
Insurance:
Life 8
Investment Pages 5
Enquiry Letters 11
Market Opinions 5
Stock Quotations 12
Mining Pages 14
Mining Quotations 12
Mining Reports 14
Oil Page 14
Oil Quotations 12
Royalty Offerings 14
On the Record 7
Public Utility Earnings 2
Pulp and Paper Page 10
Wheat Page 13
Wheat Quotations 13

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"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*

A165

60% of Canada's Drivers Have Lowest Gas Ration

In a return to the House of Commons Hon. C. D. Howe reports that 60.38% of the passenger car gasoline ration books issued have been in the lowest or A category and that 39.62% received preferred treatment. The total number of gasoline ration books issued is 1,362,510 divided between categories as follows:

	No. in Category
A	663,824
B	275,112
BX	83,488
C	59,863
D	14,975
E	2,047
Commercial	251,375
Non-com. marine	11,826
Total	1,362,510

Mr. Howe estimates that if all ration book holders use all their coupons gasoline consumption will be 725,015,060 gals. in the year ending March 31 next, (presumably on the basis of five gallons per unit). In the calendar year 1941, 980,426,030 gals. of gasoline were consumed in Canada. This indicates Canada's rationing as now in force would enforce a reduction of 255,410,970 gals.

Reclassification of many of the higher category rations is now taking place and adjustments are almost invariably downward, it is understood. Authorities are checking on salesmen particularly. These adjustments will mean some further reduction in total potential consumption.

Mr. Howe estimates that 40% less gasoline was consumed in April (first month of rationing) compared with estimated consumption had there been no restriction.

Credit Unions Widen Field

Membership in Ontario Up 4,209 in Past Year

Increases in all departments are shown by the credit union movement in Ontario in the report just issued by the provincial government for the year ended Mar. 31.

The number of unions operating in the province increased 39% to 93 while membership gained about 29% to 18,670. The number of borrowers was 1,698 higher. Value of paid-up shares increased $201,197 while total assets rose $256,423.

Deposits gained $72,677 at $1.1 million. In addition to financing the purchase by their members of War Savings Certificates and Victory Bonds, the report states, Ontario credit unions have bought, since the beginning of the war, $39,650 Dominion of Canada War Loan and Victory bonds out of reserve funds.

Attention is drawn in the report to the extension of the credit union operations across the province. At the close of the fiscal year these unions were located in 29 Ontario cities, towns and villages, there being 37 in Toronto, 16 in Hamilton and five in Ottawa.

Figures of important items for the fiscal year ended March 31 follow:

	Mar. 31 1942	Mar. 31 1941
Number operating	93	67
Total membership	18,670	14,461
Number borrowing	7,994	6,296
	$	$
Share capital	801,943	600,746
Deposits	1,130,373	1,057,695
Amt. loaned in yr.	1,710,696	1,424,603
Amt. loaned since organization	12,196,827	10,486,130
Assets	2,193,355	1,936,932
Guarantee funds	197,832	178,346
Int. to depositors	26,543	......
Divids. to shareholdrs.	34,897	......

Life Officers Plan To Meet May 28-29

Annual meeting of the Canadian Life Insurance Officers' Association will be held at the Seigniory Club, Montebello, Quebec, May 28 and 29. The meeting this year, it is understood, will be of an entirely business character with no special events on the programme. Special speakers for the meeting are G. D. Finlayson, Superintendent of Insurance for the Dominion, and Dr. R. E. Wodehouse, Deputy Minister of Pensions and Health at Ottawa.

Annual meetings of the Life Agency Officers' Section and the Life Insurance Advertisers' Section of the association will be held at the same place on the two preceding days.

Public Utility Earnings

Brazilian Traction

March	1942 $	1941 $	Increase $
Gr. earn.	3,737,470	3,343,381	394,089
Op. exps.	1,793,727	1,557,872	235,855
Net earn.	1,942,743	1,785,509	158,234
Three Mos. Ended Mar. 31:			
Gr. earn.	10,985,538	9,811,031	1,174,507
Op. exps.	5,217,882	4,654,779	563,103
Net earn.	5,767,656	5,156,252	611,404

B. C. Power Corp. April

	1942 $	1941 $
Gross income	1,727,824	1,469,197
Less: Expenses	1,313,766	1,111,536
Int. & pfd. divd.	185,180	186,666
Available for A stock	228,878	170,995
Four Months Ended April		
Gross income	6,962,470	6,078,692
Less: Expenses	5,226,232	4,414,668
Int. & pfd. divds.	744,011	748,663
Available for A stock	992,227	915,361

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Mtl. L. H. Pr.	*3½%	1956	June 1	102½
Inter-C. Bak.	†5½%	1948	July 1	101½
Int. Paper, A. B	5%	1947	June 1	▲
Star St. Ldry.	6½%	1943	July 15	101
Paton Mfg.	‡4½%	1956	Sept. 1	103

*$169,000. †$97,000. ‡$12,500.

▲Tenders for $116,789.

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A Modern Air-Cooled Pipe

Genuine briar, designed on the same heat-dispensing principle as the modern air-cooled airplane engine. Gives you a cooler smoke and keeps the bowl cooler to the touch. Natural, walnut or plum finish. Each $2

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TOBACCO SHOP STREET FLOOR

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Campbellton, N.B.	May	Eastern Securities	4%	1943-62	$110,000	99	.....
St. Catharines, Ont.	May	Royal Bank	3%	10-yr. ser.	55,053	101.86	.....
Dominion—							
Canada Treasury Bills	May	.....	....	Aug. 14, '42	45,000,000	99.865	.542%

This Week The Financial Post Asks

Increases in personal income taxes bear most heavily on those with fixed incomes hence,

Would you favor, in further war taxation, special consideration for those whose incomes have not risen in wartime?

Frances Babington

Well known Saskatchewan newspaperwoman, Melfort, Sask.

We would not favor special consideration for those whose incomes have not risen in wartime. We should all be assisting, as best we can financially in the expense of Canada's war effort and if the government sees fit to increase taxation on personal income then we should be willing to accept the new tax. We are lucky to have personal incomes to tax.

* * *

de Gaspe Beaubien

Member National War Finance Committee, former president Canadian Club, Montreal, prominent consulting engineer.

Decidedly yes. But, I am afraid that taxation has reached a degree when equitable distribution must be secondary to the consideration of ability to collect and to the cost of collection.

The advisability of increasing the income tax shall depend on two factors:

1. The proportion of taxes due that is uncollectable;
2. The proportion that is paid by selling securities and, thus, depleting one's capital.

Both these cases are bad nationally. First, any effort made to press payment reduces the production capacity of the individual and, second, selling of securities reduces their value on the market, diminishes national credit and reduces national production.

* * *

Georges Belleau

Vice-president La Caisse d'Economie de Notre-Dame de Quebec.

I realize that the personal income taxes bear most heavily on those with fixed incomes and I am of the opinion that special consideration should be given for those whose incomes have not risen in war time.

* * *

Paul Bilkey

Editor, The Gazette, Montreal.

I do not favor special consideration for any class of income tax payers if it means preferential treatment. At the same time the government should carefully avoid imposing an undue burden on citizens in the fixed income category. Injustice should not occur if the principle of equality of sacrifice laid down by the finance minister as a basis of the war tax policy is strictly observed.

* * *

A. Roy Courtice

Trust Officer, Toronto General Trusts Corp., Toronto.

It would be reasonable for the government to give some recognition of the fact that the increase in income tax, with the government regulations applicable to incomes, is discriminating against those dependent upon fixed incomes.

The widow dependent upon an estate income gets no cost-of-living bonus and has no relief against lower income to meet her fixed obligations and increased living costs. Similarly, the salaried employee, especially those who are denied any salary increase and cost-of-living bonus, can have nothing in prospect but greatly reduced income to meet his fixed obligations and increased living costs.

At least one particularly serious situation would be alleviated for this class by allowing a deduction for unusual and necessary expenditures, such as for illness.

* * *

James M. Cowan

Editor, The Review, Niagara Falls, Ont.

I do not believe there should be any increase in personal income taxes on those whose incomes have not been increased. As a rule people in that class have had to make drastic reductions in the scale of living to a far greater extent than others who are earning much more now than before, and actually are benefitting by wartime conditions and by cost-of-living bonuses. People in the fixed income class are expected to give generously to all appeals while many others, now in much higher brackets, give comparatively little.

* * *

Gilles Desroches

The Tribune, Sherbrooke, P.Q.

An equal treatment for all in taxation, that is the objective which should inspire the fiscal policy of the state. This principle should be observed more rigidly in wartime than in peacetime and applied scientifically in order to obtain a total effort from the taxpayer.

It is certainly possible to fix the rate of taxation in order to equalize sacrifices of those whose incomes have not increased since 1939 and those whose salary or income has gone up or who are getting a cost-of-living bonus. Very few things can do more harm to the spirit of a nation than unevenness in sacrifice. Inflation and a badly assessed income are the two plagues which people with fixed incomes have to fight.

* * *

Molyneux L. Gordon, K.C.

Toronto, author of several legal reference books on income and excess profits taxes.

Economy is essential for victory. I think most persons are willing to pay the present taxes and no consideration should be given those with fixed incomes. If statistics show that salaried persons or others whose incomes are not covered by the excess profits act are better off than before the war, then legislation should be passed to tax them. The surplus wages appear to have risen more rapidly than the cost of living but labor is working longer hours and making a loyal contribution to our national effort. Disputes have been largely eliminated and the situation ought not to be disturbed.

* * *

Gilbert E. Jackson

Of Sentinel Securities of Canada Ltd., Toronto, formerly on staff of Bank of England and also on the economics staff of the University of Toronto.

I quite agree that in future war taxation special consideration should be given to those whose incomes have not risen in wartime.

This is not only valid on grounds of equity (and would, for this reason, benefit national morale); but it is obvious also that by concentrating further increases in taxation on persons whose incomes have increased during wartime the government would introduce a safeguard against inflation, without which the present system of controls, concentrated around our "price ceiling," can scarcely succeed.

Price control attacks only the symptoms of inflation; the taxation of swollen incomes attacks inflation at its source.

* * *

H. W. Manning

General Manager, Great-West Life Assurance Co., Winnipeg, Man.

I feel that present controls will likely minimize further increases in wage rates thus stabilizing the relationship of wages and salaries. Sound principles of taxation require that taxes do not destroy the initiative nor result in undue discrimination. Departure from such principles is only justifiable if revenue resulting therefrom be large enough to compensate for disturbances caused by discrimination. The suggestion implied in the question would seem to be as equitable and logical as the excess profits tax on corporations, but income tax directly affects so many more people that it would seem to be politically impractical.

* * *

A. F. Mercier

General Manager, Le Soleil, Quebec.

Of course, people with fixed revenue should get special consideration in any further war taxation programme in view of the fact that these persons have obligations they cannot possibly ignore and consequently are unable to further reduce their already modest way of living. It would be only logical to impose new taxation on those whose incomes have increased in wartime inasmuch as those revenues are over a reasonable minimum.

* * *

A. R. McMichael

Chartered Accountant, Toronto, and author of "Your Income Tax."

Special consideration in taxation for those whose income has not risen means extra taxation for those whose income has risen. Unearned income has usually not risen but rather dropped. Only earned income has risen.

If a man is earning more he is usually doing more useful and productive war work than the man with a fixed income, and he is entitled to keep the small percentage of such increase over the income tax at the top rate.

I think also that such special consideration would be impracticable.

* * *

E. K. Marshall

Secretary, Manitoba Teachers Association, Winnipeg.

A man or woman with a fixed income, particularly if it has been on schedule and has reached the maximum, has expenses systematized and there is not much margin. The cost-of-living bonus in most cases does not apply to such, but they, nevertheless, have to meet a considerable increase in prices as well as a substantial increase in personal income taexs. Further, earning years are in most cases getting few in number and preparation for retirement has to be made. It seems reasonable, therefore, that there should be some special consideration for this class of taxpayer.

* * *

R. B. Perrault

Immediate past president, Advertising and Sales Executive Club, Montreal, and associated with one of the largest automobile dealer firms in Montreal.

I consider that the government might, if financial conditions warrant it, grant an allowance of a certain percentage of the tax payable, provided the 1942 income did not exceed the 1939 income by 10%. This would help to equalize the tax burden between those persons with fixed incomes and persons whose income has been increased in wartime and who are therefore better able to bear the increased taxes.

* * *

H. A. W. Plaxton

Author "Canadian Income Tax Law," barrister, Toronto.

Persons with a fixed income should be given special consideration in any increased taxation of personal incomes.

Persons and businesses throughout Canada, identified directly or indirectly with the war effort, are enjoying expanding earnings. But with costs of living increasing steadily, persons with fixed income inevitably find their customary surplus of dollars steadily growing less. In short, their ability to pay income taxes decreases with every rise in costs. They were the chief object of the government's concern when passing recent price ceiling regulations.

For these reasons, any increase in taxation of these persons should be, and I have no doubt will be, moderate compared with other classes of taxpayers. This view is in consonance with the principle of equality in taxation—which is followed as faithfully as possible by our government.

A practicable solution for the problem is not easily suggested. The best suggestion is a moderate increase in the lower brackets with allowance of full income tax exemptions from national defense taxes. This would mitigate hardship of the family man.

* * *

Adhemar Raynault

Mayor of Montreal.

The question asked presents many angles and is difficult to answer without going into many details. I submit, however, that the attention of government experts should focus on institutions which particularly benefit by a state of war and are standard in peacetime. It would be important for economic and social justice to get from them the bulk of moneys necessary for the pursuit of war and spare, as much as possible, the small fixed incomes whose situation has not been improved by a state of war.

* * *

Allan H. Wetmore

Prominent businessman, now retired, of Saint John, N.B., and well-known authority on tax problems.

I have always strongly advocated that equitable distribution of the burden should be the first consideration in determining the basis of taxation of incomes. Fixed incomes which are not or cannot be increased by, or because of war conditions must necessarily be placed in a special category if the burden of wartime increased income taxation is to be equitably distributed and I highly recommend that in any further adjustments consideration to that end be given.

* * *

Raymond E. Shaul

Vice-president, Canadian Teachers Federation, Edmonton, Alta.

I have contacted the officers of the Alberta Teachers Association having six thousand active members. I believe it would be fair for those on fixed wages or salaries whose incomes are adjusted from time to time by payment of cost-of-living bonuses provided by the Dominion government Order in Council Number 7440, to bear a fair share of the increased personal taxes. However, I urge special consideration for those whose earnings fall within the range that would ordinarily entitle them to cost-of-living bonus but who are specifically excluded from the benefits provided by the above mentioned Order in Council.

* * *

Jacques Verreault

City Editor, Action Catholique, Quebec.

The state must take the necessary steps to see that sacrifices it may request from the nation are not bearing more heavily on one group than another. This is exactly what happens with our present taxation system, as those whose revenue has not increased since the beginning of the war are treated in the same manner as those who, in some way are getting benefit from the considerably increased business. The former have thus more difficulties in making a living, while the latter live in more comfortable surroundings than they have ever known before. Any further war taxation programme should tend to correct such a situation.

* * *

Editor's Note—Because of space limitations, answers exceeding the length requested, have had to be reduced.

ASK YOUR HATTER TO SHOW YOU THE NEW

Biltmore Roller

A fur felt hat so *mello* you can *roll* it up and shove it in your pocket—so *lively* that it resumes its smart shape at a touch—so *light* and *comfortable* that it rides your head like a feather—really a luxurious light weight hat.

A Six-Fifty Biltmore

ALL STYLES AVAILABLE

Your dealer can fit you with a BILTMORE ROLLER in any of the popular styles of today . . . Hat shown above is the new BILTMORE PARADE. Latest distinctive styles give BILTMORE "type adaptability."

THE MASTER HAT OF CANADA

15

War Ends Xmas, 1943—Prophet 89% Right

By Christmas 1943, the Axis will be beaten and the world will be at peace.

That's the gist of a communique issued by Ignatius Donnelly Taubeneck, of Bronxville, N.Y., whose hobby is long-range prognostications in the field of national and international affairs.

Recording his forecast, The New Yorker comments that on the basis of past performance, the chances are nine to one Mr. Taubeneck is right. In 14 years of prophesy he has made 57 major predictions (as to presidential elections, for instance) and 83 minor ones. He has been correct 89% of the time.

Right on the Button

"In 1937," says The New Yorker, "he announced that the leading nations of the world would be at war by Sept. 1, 1939. A month after the war started, he was asked if we would get in it; he said yes, and that it would be because of a military clash in the Orient.

"'There's no fortune-telling about it, there's no astrology,' Mr. Taubeneck told us when we called on him last week. 'It's just common sense and an attempt to apply the scientific method to human variables.'

"As you might suspect from this, Mr. Taubeneck is a teacher and lecturer. His connections include the Bronxville Public School, where he is head of the departments of history and public speaking; N.Y.U., for which he conducts a course called, sweepingly enough, 'Contemporary World Problems'; and the Bronxville Community Forum, organized 11 years ago by Taubeneck, which he addresses once every two weeks during the fall and winter on current events. Taubeneck forecasts events as a sort of sideline to these duties, and he gets nothing for it, win, lose or draw.

Recorded in Trust

"He either announces future events at the Forum or writes down his predictions, seals them in an envelope, and deposits them with the Bronxville Trust Co. in a safety deposit box. It was an envelope deposited Jan. 1, 1940, that turned out, 11 months later, to contain a prediction that Roosevelt would run for a third term and win."

Taubeneck for years has been building up a wide and varied acquaintanceship with people he considers useful friends for a prophet, and, as The New Yorker remarks, "knows more politicians, diplomats and journalists than is healthy for any one man." He reads seven daily newspapers, and many weekly and monthly publications of serious tone. He has refused offers of commercial tie-ups to leave himself "free for independent thinking" and his guesses on the future are to be had for the asking. Those who think it worthwhile asking include a number of well-heeled corporation officials.

McCrimmon Heads Ind'l Advertisers

Donald McCrimmon, advertising manager of C. A. Dunham Co., Ltd., Toronto, was elected president of the Industrial Advertisers Association of Ontario at the annual meeting.

DONALD McCRIMMON

Other officers and directors elected were:

Vice-president—T. H. DOWSETT, Trane Co. of Canada Ltd.; secretary—E. J. HAYES, Gutta Percha & Rubber Ltd.; treasurer — J. G. BEARE, Link-Belt, Ltd.

Directors — H. A. STANDING, Gypsum, Lime & Alabastine, Canada, Ltd.; W. I. TURNER, Railway & Power Engineering Corp.; A. JARVIS, James Fisher Co., Ltd., V. R. YOUNG, Canadian General Electric Co., Ltd.; R. E. MacGILCHRIST, Reliance Engravers, Ltd.; L. B. HICKS, Canadian General Electric Co., Ltd.

The Industrial Advertisers Association of Ontario is a chapter of the National Industrial Advertisers Association which held its 19th annual conference in Toronto last September and is now planning its 1942 conference to be held in Atlantic City, September 23, 24 and 25. D. McCrimmon and L. B. Hicks will represent the Ontario chapter on the directorate of the international association.

War Risk Rates Sharply Higher

German U-Boat Activity in St. Lawrence Boosts Insurance Premium

War risk rates on voyages to and from Newfoundland and Atlantic ports have been sharply increased as a result of recent sinkings in the St. Lawrence River.

A revised schedule issued by the Canadian War Risk Committee, representing private companies here, embraces rates which are double those formerly in effect for the voyages affected.

New rate to or from Newfoundland and Canadian Atlantic ports is now 3% instead of 1½%. Voyages not east of a line between Clarke City on the north shore and Ste. Anne des Monts on the south shore of the St. Lawrence now take ½% instead of the former rate of ¼%. Over the short sea route between North Sydney and Port Aux Basques, Nfld., and local voyages in Newfoundland now take a 2% rate, formerly being rates from ¼ to ¾%.

Second Inter-State Royalty Corp. reports investments in royalties had a book value of $280,140 at the end of last April. Income from royalties to the end of March totalled $61,035 and depletion reserve $16,785 to the same date. During March gross royalty income was $1,377, while accumulated royalty income for 1942 to April 30 totalled $2,183.

Which comes first—family or flag?

● Winning this war is a full-time job, and you can't let your country down. But you don't want to let your family down, either. The estate you will eventually leave to them should not be allowed to depreciate through lack of attention.

If war is claiming your time and attention, why not let the Crown Trust Company handle your personal investments, through a Living Trust? If you wish, you may maintain full control, yet be relieved of the details of management. Our Trust Officers would like the opportunity of explaining this plan to you.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL 393 St. James Street — TORONTO 80 King Street West

Let us serve you and your family

British American Oil Producing Co.'s operation in the Pilot Butte fields, Fremont Co., Wyoming, a discovery well, is listed by the Oil & Gas Journal as averaging 750 barrels daily on a two-day pumping test at the conclusion of which it was shut in for additional storage. This well is a joint operation of Superior Oil Co. and British American Oil Producing Co. Discovery of this new field was announced at the B. A. Oil annual meeting recently. The Pilot Butte field was discovered in 1916, but operations to date had not previously indicated any production on the scale nor in the structure now opened up.

S-T-R-E-T-C-H *Your Mileage* with

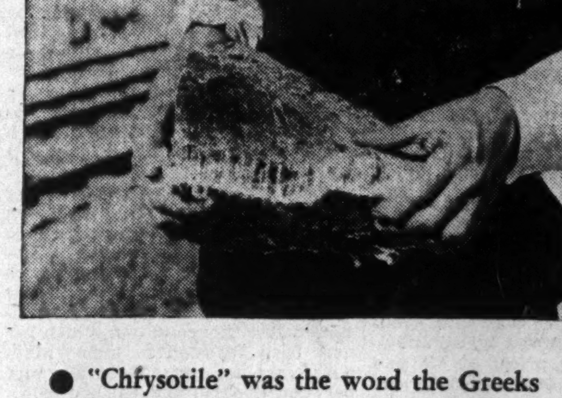
GOOD RICH *Polymerized* GASOLINE

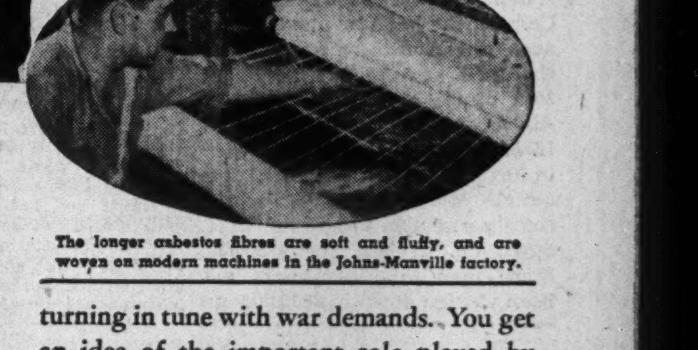
GOOD RICH REFINING COMPANY, LIMITED

3

Weaving **FIBRES OF GOLD** into *Fabrics of War*

Above: Asbestos in its natural state, as found in "serpentine" rock. The veins running diagonally from the left top corner contain asbestos fibre, extracted from the rock by milling in giant crushers.





The longer asbestos fibres are soft and fluffy, and are woven on modern machines in the Johns-Manville factory.

● "Chrysotile" was the word the Greeks had for asbestos, and literally translated it means "fibres of gold". And to Canada, possessing the world's largest store of asbestos, they are fibres of gold indeed today. Thousands of tons of Canadian asbestos, mined by Johns-Manville at Asbestos, Que., go directly into war materials. Other thousands enter into asbestos products which help keep the wheels of Canadian industries turning in tune with war demands. You get an idea of the important role played by asbestos today from the fact that the J-M mine, mill and factory are all working twenty-four hours a day, seven days a week.

CANADIAN JOHNS-MANVILLE CO., LIMITED

MINE AND FACTORY AT ASBESTOS, P.Q.

MONTREAL TORONTO WINNIPEG VANCOUVER

BT-7

Asbestos fabrics are veritable "fabrics of war" today. Fashioned into fireproof, heat-resisting clothing they protect A.R.P. and military fire-fighters.

In the navy, army and air force, Canadian-made asbestos "flame suits" serve in the front lines of action.

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE

• J-M BUILT UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

Abitibi After Decade of Disputes

Absence of Interest Payments Permits Substantial Improvement

By A. D. ELLWOOD

In about four months, it will be ten years since Abitibi Power & Paper Co. went into receivership.

During this long period the company has been managed by G. T. Clarkson as receiver and manager. In many ways, it is now a company very different from that of Sept., 1932, when receivership and bankruptcy arrived. Just how different becomes evident from a study of balance sheet, earnings statements and the reports of Mr. Clarkson.

This ten-year period has been marked by long-drawn fights to carry out a reorganization that would be acceptable to bondholders and shareholders alike. Success does not appear to be near at hand after 10 years of effort. But the realities of the company's position would make the mechanics of a sound plan greatly different to that which won bondholders' acceptance by a narrow margin in 1937 only to be thrown out on legal grounds as a result of objections raised by representatives of equity holders.

Most striking change in the balance sheet is the tremendous improvement in working capital. Mr. Clarkson's first complete report—as at Dec. 31, 1933, following 16 months of his control — indicated that current liabilities were $283,115 greater than current assets. Contrast this with the 1941 report, which showed net working capital of $22.5 millions.

Plenty of Cash

When the defeated 1937 reorganization plan was prepared, bondholders estimated at first that new working capital amounting to $14 millions would be required. Since then earnings have not only made new capital unnecessary, but have left the company with funds available to repay bondholders over $11 millions of their claims.

Working capital position is shown in the following table:

Working Capital Grows

	Dec. 31 1941 $	Dec. 31 1933 $
Current Assets:		
Cash	8,153,150	24,811
Dominion bonds	1,981,667	nil
Other bonds	238,553	39,300
Accts. receivable	6,945,857	1,100,616
Inventories	6,950,570	1,379,921
Total	24,273,797	2,544,648
Current Liabilities:		
Accounts payable	879,028	331,535
Wages payable	153,881	46,567
Due to banks	nil	374,661
Receiver's certif.	nil	2,075,000
Contingent reserve	750,000	nil
Total	1,800,909	2,827,763
Net working capital	22,472,888	*283,115

*Excess of current liabilities.

Other liabilities have been paid. The company owed $2.7 millions as the balance due on its pre-receivership purchase of Thunder Bay Paper Co. when Mr. Clarkson took over. This was settled in 1936 for a cash payment of $2 millions, plus $49,000 for interest. Thunder Bay Paper is now a wholly owned subsidiary of Abitibi.

There was a total of $4.3 millions due to the banks at Sept. 10, 1932. This also has been liquidated in full. One of Mr. Clarkson's actions was to borrow funds through the sale of receiver's certificates to replenish his bare exchequer. In 1939 the last of these were paid and the company was able to operate on its own cash resources.

Secure Sales Outlet

One of the receiver's early moves was to purchase all outstanding capital of the G. H. Mead Co. which had acted as sales agent for Abitibi since 1915. At the time of receivership, about 80% of the newsprint made by Abitibi was being supplied to G. H. Mead under the contract then in force. To secure control of this outlet Mr. Clarkson received court permission to buy the G. H. Mead Co. in 1933 for $750,000. Since then this investment has been written down to $600,000 out of earnings received from the sales subsidiary.

There is another important change. Many millions of dollars have been spent on capital improvements; more millions on maintenance and repairs. The company still has a long way to go before it will reach the standard of plant conditions that has been advocated on certain occasions both by the company's own operating men and by outside engineers engaged to make surveys.

Millions on Plants

But since he took over in 1932, Mr. Clarkson has spent just over $4 millions on capital improvements. He has placed four mills, idle when receivership occurred, in operating condition. In Manitoba, the Pine Falls mill was the first to be reconditioned. In Ontario, the Port Arthur and Fort William newsprint mills have resumed operations, and in Quebec the mill at Ste. Anne is again turning out newsprint.

Maintenance and repairs have grown rapidly as operations increased, as the following table makes clear:

Spent on Maintenance and Repairs

	$
Sept. 10/32 to Dec. 31/33	231,807
1933	712,822
1934	855,922
1935	970,941
1936	1,183,377
1937	1,955,713
1938	1,260,969
1939	1,360,927
1940	1,648,654
1941	1,721,452
Total	11,902,592

To a very considerable extent, the amounts spent on maintenance and repairs correspond directly to the scale of operations carried out. Thus in 1941, the company had four more mills operating than it did in 1932. It produced only 195,258 tons of newsprint in 1933; in 1941, it turned out 454,840 tons of newsprint and 19,287 tons of substitute wood fibre products. At the time of the receivership, the Smooth Rock Falls pulp mill had an annual capacity of 60,000 tons. It was operating at about 33 1/3% of capacity and losing $125,000 annually. Last year this same plant turned out 63,802 tons of pulps, almost all of it bleached sulphite.

Better Prices Help

This list of improvements in the company's position has not been accomplished entirely due to shrewd management, however. Much of it is due to such factors as improvement in newsprint sale prices from $40 a ton in 1933, 1934 and 1935 to the $50 a ton price which has prevailed since 1938. Additional help has come from the premium that has prevailed on U.S. funds since 1939 and has added approximately $5 a share. Bleached sulphite pulp sold for $39 a ton in 1939 and $72.50 a ton in 1941.

Then there is the whole question of the relationship between operating expenses per ton of newsprint and capacity of operations. There is the additional factor of rising costs due to the war which have wiped out the gain resulting from the U.S. premium. All this has a vital bearing on the company's operations.

Most important of all in bringing this great improvement in financial position to Abitibi have been two major factors: Gain in earnings, and postponement of bond interest.

Postponed Bond Interest

Take the latter point first. Mr. Clarkson shows that Abitibi owed $24.3 millions for unpaid bond interest at Dec. 31, 1941. This makes no allowance for any possible liability to pay this sum in U.S. funds, which would add another 10%. It makes no provision for interest on the unpaid interest.

Under non-receivership operations, this amount would have had to be paid to bondholders in cash. Adding together the improvement in working capital and the reductions in liabilities, a grand total of over $36 millions is estimated. This improvement could not have been made if bond interest had been paid. Of the total given here, bondholders had only received $6.3 millions to the end of 1941.

On April 15, 1942, they received $4.8 millions and there is a good chance more millions can be paid before the end of 1942. All of these sums are repaying bond principal, leaving interest unchanged.

One other growing — but unknown — liability also exists. Mr. Clarkson in his last two reports has referred to the matter of income and excess profits taxes that will have to be paid. The exact amount is not known but for 1941 may run up to $1 million, he estimates.

The other factor accounting for this improvement is the marked gain in earnings. How this earnings factor has grown and how it compares with sales volume is shown in the tabulation which follows:

	Sales (Newsprint and power) $	Net earnings (Available for int. & deprec.) $
Sept. 10/32 to Dec. 31/33	10,847,177	1,036,582
1934	9,701,780	953,928
1935	11,232,180	1,205,186
1936	14,974,886	2,185,189
1937	21,754,781	4,838,965
1938	15,730,770	2,983,256
1939	16,146,048	3,445,001
1940	23,499,230	9,187,505
1941	27,038,240	10,126,499
Totals	150,925,092	35,962,091

This $36 millions total is subject to whatever income taxes may be assessed. From it, the receiver has appropriated $14.4 millions for depreciation, a modest average of about $1.6 million annually. Without allowing for taxes, this leaves $21.6 millions for interest during a period when $24.3 millions accumulated unpaid.

There have been reports recently that an acceptable compromise of differences between bond and stock holders is closer than for a long time past, but there is nothing official. The most that is definitely known is that authority has been obtained to carry the case to the Privy Council. There is no public sign of relenting on either side.

Perhaps recognition is growing of the value of some of Abitibi's subsidiary assets, particularly its power plants and water rights. Premier Hepburn has quoted a figure of $22 millions as a potential value for these properties which some consider as unnecessary to the operations of the company as a newsprint and pulp manufacturer. There is only one potential purchaser for these assets — Ontario Hydro-Electric Power Commission. If a sale could be arranged and the proceeds used to pay off bondholders, the bond claim for principal would drop to somewhere around $15 millions, a much more manageable amount than the $48 millions with which Abitibi entered receivership. The claim for unpaid interest could probably be negotiated without too much difficulty.

There appears little real ground for speculation on the possibility of such a deal other than the fact that it can be worked out on paper. Main features of the changes that have taken place during receivership have solved some of the original problems, but by no means all.

The chief problem remaining appears to be the almost complete failure on the part of opposing parties to achieve anything approaching a common viewpoint.

N. R. CRUMP

ALEX LYLE

Vice-president's New Aides Both Sons of Railroaders

N. R. Crump and Alex Lyle have been promoted assistants to the vice-president, Canadian Pacific Railway Company, with headquarters in Montreal.

Mr. Crump, formerly assistant superintendent of motive power for western Canada is one of the youngest Canadian railway executives to attain comparative rank. Born to a well known western railroading family at Revelstoke, B.C. in 1904, he joined the C.P.R. in 1920.

He took high school work at night and, in 1925, enrolled at the famous Purdue University in Indiana, to study railway mechanical engineering whence he graduated in 1929.

Since then he has served the company at various points in western Canada.

Mr. Lyle, a native of Scotland is a member of a Scottish railway family.

He came to Canada in 1910, joining the Canadian Pacific Railway as a stenographer, served in Moose Jaw, Revelstoke and Vancouver.

In 1930 after successive promotions he became chief clerk to D. C. Coleman, then vice-president.

In the first Great War, he enlisted in the Canadian Railway Battalion, serving in France as a warrant officer under the director general of transportation.

Raise Prices to Ease Squeeze in Furniture

Revision upward of manufacturers' furniture prices recently allowed by the Wartime Prices and Trade Board helps to ease a heavy squeeze that has been pressing on wholesalers for some months. Under the new order the maximum price at which a manufacturer may sell furniture to a retailer is the price during the base period (Sept. 15 to Oct. 11) plus one-half of the amount which his costs have gone up since the base period. In no case, however, shall an Ontario manufacturer raise his price to a retailer by more than 6%, and a Quebec manufacturer by more than 4%.

The agreement was worked out by the furniture trade on a 50-50 basis between the manufacturers and retailers. It was figured that the minimum price squeeze was 12% in Ontario and 8% in Quebec and that difference was split evenly—the manufacturers being allowed to raise their prices by 6% and 4% respectively and absorbing the remainder while the retailers absorb the increase that is passed on to them so that the retail price ceiling will not be disturbed. Actually the squeeze in some cases runs up to 20% but anything above the 6% figure is being absorbed by the manufacturers who are now attempting to reduce their costs by frill eliminations and other methods.

The cost increase to the furniture makers has come from two directions. First there was an upward revision of lumber prices around the first of September. This was not reflected in selling prices as the trade knew that there would shortly be wage increases and it was decided to wait and incorporate both these changes in a new price schedule.

In October the industry as a whole negotiated with its employees a new agreement dealing with wages and hours that contained a considerable increase in wage payments including a cost-of-living bonus. This agreement had just been negotiated when the price-freezing order was issued so that it was impossible to pass on any part of the increased costs created by higher lumber prices and wages to the consumer. It is this condition which has now been adjusted to some extent within the industry. The difference between Ontario and Quebec prices is explained by the fact that wage increases in Quebec were generally on not so high a scale as in Ontario.

Atlantic Sugar Taken Over

Acadia Sugar Acquires Balance of Common — Debts Reduced

Acadia Sugar Refining Co. now owns all the common shares of Atlantic Sugar Refineries, Ltd. When the two companies first came under joint control in 1939, Acadia Sugar owned about 50% of the Atlantic Sugar common, has since acquired the balance.

Atlantic Sugar Refineries now has outstanding only $1.5 million of 4% first mortgage bonds, due Nov. 1, 1951. Serial maturities have paid off $500,000 of the original $2 millions sold in 1936.

Acadia Sugar Refining Co. has also reduced its funded debt. At present it is understood there is outstanding $1,327,000 of the 4½% first mortgage issue, due Oct. 1, 1955. In addition there is outstanding $2,130,000 of the 6% general mortgage issue, due Oct. 16, 1954. The 4½% bonds were originally offered in 1935, and the 6% general mortgage issue was sold in Dec., 1939, as part of the plan merging control of the two companies.

Neither company issues a financial statement and no particulars are available as to earnings.

Can. Cottons Sales Heavy

Demand Exceeds Capacity of Mills — Move to Adjust Price of Products

From Our Own Correspondent

MONTREAL. — Current demand for the products of Canadian Cottons Ltd. for both war and civilian uses is considerably in excess of the mills' ability to produce, according to R. G. Tolmie, president. Mr. Tolmie states sales are now being made at lower than current replacement costs. Negotiations are being carried on with the Commodity Prices Stabilization Corp. with a view to securing an adjustment in the cost of raw cotton.

Labor is a Problem

Everything possible is being done to cope with the shortages of materials for secondary production arising from wartime diversion, he adds, but serious difficulty is now being experienced in maintaining even a normal volume of production because of the labor shortage. "As far as is practicable, the policy of employing women to fill positions vacated by men has been adopted. There are, however, many classes of work—some of a highly mechanical nature and much heavy work—for which the employment of males is essential."

Another factor affecting production, Mr. Tolmie points out, is the difficulty of effecting normal machinery replacements.

Algoma Central Earns Interest

Million-dollar Boost in Receipts Brings Big Bond Redemption

Algoma Central & Hudson Bay Railway Co. was able to earn the interest on its 5% income debentures in 1941 for the first time in its history. Gross receipts are approximately $1 million higher than in 1940 and a surplus of $42,241 is reported after providing for all charges, including rental of Algoma Central Terminals, income debenture interest and income taxes.

Revenue from rail freight hauled increased 30% and from passenger service 10%. Revenue ton miles were the highest in the company's history and shows an increase of 29% over 1940. Comparative railway operating statistics for the past two years are:

	1941	1940
Freight car mileage	9,571,068	7,391,363
Pass. car mileage	322,726	284,281
Baggage & express	107,681	88,884
Rev. train miles	459,719	376,861
Rev. locom. miles	599,055	479,017
Rev. frgt. switch. miles	45,899	34,558

Steamships were in commission 1,196 days in 1941 against 999 in 1940. Tonnage carried increased 36%. Loaded mileage was 69.5% against 67.3% for 1940. Average rate per ton was higher and increased volume resulted in better revenue.

Capital expenditures in 1941 were $376,224, approximately the same as in 1940. It is anticipated capital expenditures will be higher in 1942.

Iron ore shipments from the Helen mine in 1941 were 517,068 tons against 407,063 tons for 1940. Development work on the Josephine Mine was started last year "by a responsible Canadian company," (Sherritt Gordon and other interests associated with Ventures Ltd.)

E. B. Barber, president, states there has been a "noteworthy, expansion in traffic that should ensure greater stability in revenues under normal conditions although war conditions were responsible in part for the best earnings in the history of the railway."

To Dec. 31 last £50,675 ($246,610) of the 5% first mortgage debenture stock of Algoma Central Terminals had been redeemed and cancelled since the reorganization plan was ratified last December, leaving $2.7 millions outstanding. No interest can be paid on the railway company's stock and bonds while any of the terminals company's stock and bonds remained unredeemed.

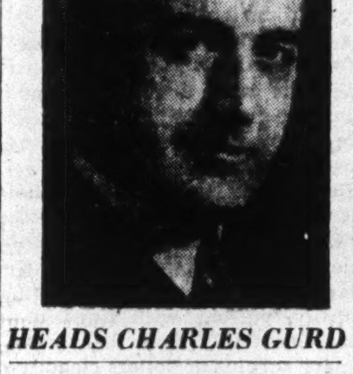
Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Gross receipts	3,729,159	2,697,352
Less: Working exps.	2,842,232	2,299,544
General mgmt.	118,494	103,459
Terminal rental	149,478	149,781
Int. unpaid rental	70,540	68,650
Taxes	25,373	20,807
Net oper. income	523,043	55,112
Add: Other income	69,623	32,497
Net earnings	592,666	87,608
Less: Inc. deb. int.	515,425	515,425
Income & E. P. taxes	35,000	......
Surplus for year	42,241	*427,817
Less: Prev. deficit	6,179,681	5,751,864
Add: Res. adjust.	294,597	......
Deficit forward	5,842,843	6,179,681

*Deficit.

Working Capital

	$	$
Current assets	2,199,880	1,932,600
Current liabilities*	7,960,705	7,936,052
Excess current liabs.	5,760,825	6,003,452
*Includes:		
Algoma Central Terminals rental	1,237,012	1,485,332
Interest on rentals	262,865	348,242
Accr. 5% inc. deb. int.	5,669,075	5,154,250



HEADS CHARLES GURD

L. W. Vezina, Montreal, who has been appointed president of Charles Gurd & Co. Mr. Vezina is director in charge of advertising and sales at W. Clark Ltd. for the past 11 years, a post in which he will continue. He replaces E. S. McDougall, K.C., as president.

Says Price Ceiling Plight Means Only "Folding Up"

Another instance of the price ceiling squeeze is reported in the current edition of Canadian Grocer:

This case has to do with greatly increased costs of a manufacturer—so great that he'll have to fold up unless he is permitted to advance or get subsidy on his raw materials.

So that he might get his container cost down last fall he switched to a larger size and advanced his price to the trade by a proportionate amount. Then he discovered that cost of the container was higher relatively than when the smaller size was used due to subsequent price rises by the container manufacturer.

His biggest problem is the increased cost in the main ingredient used. It is one of Canada's basic products. His prices to the trade in the index period were based on a comparatively low cost. During the year and up to the base period, prices to him advanced 17% yet in the meantime he had not raised his selling price. At that time new supplies were on order, which meant an increase of no less than 55% over first part of 1941. He has since been forced to pay still more for this ingredient in spite of ceilings. On top of that again cartage in the centre in which he is located from factory to depot is up over 100%.

Cotton Usage At New Peak

From Our Own Correspondent

MONTREAL.—More raw cotton was used by Canadian mills last April than in any other like month in the history of the industry. According to the Cotton Institute of Canada 48,915 bales were opened. This contrasts with 46,404 bales for April, 1941, 24,907 in 1939 and 33,089 in April, 1937.

The all-time record for any month was established in Oct., 1941, when 52,664 bales were opened.

Significant Investors' Index Numbers

(Base 1935-39=100)

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Feed and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
1942: Weekly Figures:												
Apr. 2	69.9	65.3	69.3	41.3	103.3	72.6	93.3	75.0	61.8	88.9	67.2	62.0
Apr. 9	69.4	65.3	69.6	42.1	100.9	73.4	94.7	75.1	61.6	88.9	67.5	62.0
Apr. 16	70.4	63.2	69.6	41.0	101.6	72.5	93.1	72.8	60.0	88.7	65.9	60.6
Apr. 23	71.3	62.7	69.6	41.1	103.1	75.5	92.8	73.9	59.6	88.6	66.0	61.0
Apr. 30	71.4	61.4	69.6	41.2	103.8	75.4	91.9	73.8	59.4	87.5	65.7	60.7
May 7	72.4	61.8	71.4	41.9	103.6	73.9	93.1	74.7	59.6	87.7	65.9	61.1
May 14	75.1	61.6	71.4	43.2	103.7	73.6	93.4	75.9	60.1	87.4	66.1	61.8

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 19	83.51	65.17	63.58	16.11
May 18	82.78	63.29	63.67	16.15
May 16	82.98	62.88	63.10	16.15
May 15	82.88	62.91	62.98	16.10
May 14	82.59	63.33	62.94	16.09
May 13	82.92	63.65	63.03	16.25
Month ago	80.53	61.73	61.65	16.36
Year ago	87.88	96.75	60.68	17.12
High 1942	93.50	83.71	71.01	18.88
Low 1942	79.85	61.04	61.29	16.00

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
May 19	40.3	56.2	50.9	57.57	40.11
May 18	40.5	56.1	50.9	57.88	39.86
May 16	40.5	56.1	50.9	57.88	39.69
May 15	40.6	56.0	50.8	58.14	39.69
May 14	40.8	55.9	50.8	57.79	39.69
May 13	41.1	56.1	51.1	57.79	38.92
Month ago	40.3	55.2	50.2	58.10	37.27
Year ago	42.9	53.2	49.8	61.79	72.58
High 1942	43.6	60.5	65.7	77.18	54.82
Low 1942	39.6	55.0	50.0	57.31	36.94

Increased Earnings
Lower Funded Debt
Improved Working Capital

These have characterized many Canadian corporations over the past decade.

Bonds of such companies provide attractive investment opportunities. Carefully selected list will be furnished upon request.

Wood, Gundy & Company Limited

Trust and Loan Firms Add to Liquid Position

Report Shows Net Profits Declined in 1941; Cash and Bond Holdings Well Ahead While Real Estate Continues Active

Liquidity of trust and loan companies showed a material increase during 1941, according to the preliminary report of H. D. McNairn, Ontario Registrar of Loan Corporations. The percentage of liquid securities held by trust and loan companies that accept deposits to the amount of deposits was 74.24% on Dec. 31, 1941, as compared with 69.71% in 1940, 67.35% in 1939 and 65.02% mainly for the Victory Loan, the percentage was maintained at 72.63% as at Mar. 31, 1942.

The report shows that 1941 net profits of loan companies amounted to $2,824,000 as compared with $2,755,000 in 1940. Trust company profits were $2,172,000 as compared with $2,564,000. In 1941 Dominion taxes increased $343,000 over 1940 for loan companies and $315,000 for trust firms.

Loan Assets Decline

Total assets of loan companies decreased during 1941 to $197.9 millions from $199.9 millions in 1940. This decrease accompanies a reduction in the debentures and debenture stock outstanding of $2.6 millions, of which $1.9 millions is a reduction in the amount of debentures payable outside of Canada. These latter debentures have shown a steady decrease of some $2 millions a year since the start of the war and now amount to $20.7 millions as compared with $26.2 millions at the end of 1938. Reduction in debentures outstanding has been partly offset by an increase of $500,000 in deposits to $34.7 millions.

Decrease in total assets of loan companies is mainly reflected in a decrease in real estate and mortgages, partly offset by an increase in cash and bonds held. Real estate held by these companies decreased over $1 million to total $10.9 millions with 1941 being the first year this item has shown a decrease since 1930. Mortgages show a decrease of $4.2 millions of which nearly $2 millions represents a decrease in mortgages in western provinces. Cash has increased nearly $1.3 millions while holdings of government and other bonds are up $1.8 millions.

Deposits Near Peak

Total assets of trust companies, exclusive of those held for estates, trusts and agencies have increased by $5 millions to total $199.8 millions. Company fund assets of $61.2 millions show an increase of $2.3 millions largely accounted for by an increase in borrowed money by one of the larger trust companies. Guaranteed fund assets now totalling $138.5 millions have increased $2.7 millions due to an increase in guaranteed investment receipts of $938,000 and trust deposits of $1.8 millions. These deposits now total $58.9 millions and with the exception of 1939 are at the highest level in the history of these companies.

Total deposits of both trust and loan companies now are $93.6 millions which is almost as great as the total at Mar. 31, 1941, before the issue of the War Loan in that year and compares with the all-time high of $95.2 millions in Dec., 1939. Heavy withdrawals for the 1942 Victory Loan together with income tax payments have reduced the amount of these deposits as at Mar. 31, 1942, by $9.3 millions to a total of $84.3 millions. The report comments that should the trend of 1940 and 1941 be repeated it is probable that these savings will be replenished before the next government War Loan is issued.

Cash and Bonds Up

Cash held by trust companies increased during 1941 by $4.6 millions while Dominion and Provincial bonds increased by $7.2 millions. Commenting on the increasingly liquid position of these firms the report states that a continuance of this trend, a healthy trend in such times as these, is probably inevitable if repayments on mortgages continue to improve as the scope for new mortgage investment shrinks and recurring War Loans become the main outlet for surplus funds.

Total assets under administration in the estates, trust and agencies account increased during the year by $9.7 millions to total $2,448.8 millions.

Selling Real Estate

Last year there was an increased demand for real estate properties, particularly for smaller residential properties in urban areas and for the first time since 1929 the amount of real estate held by trust and loan companies shows a drop. Decrease amounted to $2 millions during the year with total holdings now amounting to $19.3 millions. Practically every company shows a decrease in its real estate holdings and it is anticipated that further reductions will take place in 1942.

Real estate holdings of loan companies now represent 5.5% of total assets as compared with 6.01% in 1940. Trust company holdings are 13.7% of total company funds as against 15.9% in 1940.

During 1941 these companies sold 2,222 real estate properties for an aggregate sales price of $8.2 millions and received as cash payments on such sales over $1.6 millions. Average sale price per property was $3,720, indicating that the great bulk of the turnover was in small inexpensive properties, but the general experience has been that the market widened somewhat in 1941 and that prices received were somewhat better than in 1940. Advance reports for 1942 seem to indicate that demand for urban real estate continues to grow.

Total mortgages of both trust and loan companies are carried at $212.1 millions, a reduction of $7.1 millions on the year.

Montreal Broker Firms Partnership Changes

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange and Montreal Curb Market announce W. Hendrie Hay and F. H. Fairbanks have retired from partnership in the firm of Oswald and Drinkwater as at the close of business April 14. The business will be continued under the same firm name and style, Oswald and Drinkwater, the partners being M. C. Oswald, C. G. Drinkwater and Major J. B. Weir.

It is also announced that F. H. Fairbanks has been admitted into partnership in the firm of Fairbanks, Kirby & Co. The business will be continued under the same firm name, the partners being Alfred Kirby and F. H. Fairbanks.

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Some Bonds Giving Good Market Action

List of Outstanding Performers Includes a Wide Range of Industrial Securities

By ROBERT C. STARK

Armament issues were the coddled favorites of stock market traders when war first broke out. Speculators looked at the Great War record of leaping prices for steel and armament firms, took a deep breath and dived into the market. Many of those who dived have come out more than slightly bedraggled, others have seen the tide of war sweep away much of their capital.

Performance in the bond market generally has been a little happier than in stock trading. Over the past year the corporation bond market has been able to turn up a notable list of bonds that have been able to make money for their buyers despite all the uncertainties and changing conditions that have prevailed during the past year.

Bonds which have been able to make considerable headway during the past year are not confined to any particular industry, or group of industries; they extend over the industrial fields of food, power, shipping, travel, war production and others.

Following is a very partial list of this type of bond with some of the noted issues having been particularly prominent in the trading spotlight of late:

	Approx. Bid Price Now	Year ago
Burns 5/58	68½	54
Can. Steamship 5/57	102½	99
Can. Locomotive 6/53	102	89½
Can. Vickers 6/47	99½	52½
Colonial Steamships 6/54	101	95⅛
Gurney 5½/49	87	69½
Maple Leaf Mill. 5½/58	81	69⅛
Mtl. Drydocks 6/48	81½	38
United Secs. 5½/52	86	41⅛
Wpeg. Elec. A 5/65	84½	69½

Bacon and Burns

The upturn in Burns bonds is mainly based on the expansion in export demand for Canadian bacon. Heavily increased shipments overseas meant a record sales year for the company in 1941 with the current year expected to show volume around the same level. To the bondholder 1941 meant coverage of his interest requirements 3.50 times before depreciation and 1.48 times after depreciation as compared with 1.76 times and 0.77 respectively in the previous year.

Recent prices for these bonds have shown a slight shading off presumably in recognition of some of the difficulties created for the packing industry by price ceiling legislation. Beef prices have advanced substantially since the base period for the price ceilings, but the packers are unable to pass on any of the increase to the consumer. As a result the packer's beef trade has been conducted at a loss recently. Packers generally operate on a very narrow profit margin and with no maximum on prices to be paid the producer for agricultural products and no control on farm labor wages a further narrowing of that profit margin appears possible.

Steam in Steamers

Stimulated industrial activity has elevated bonds of the steamship companies practically to the blue chip class. For such an issue as Canada Steamship Lines 5's of '57 traders report a very light supply and a steady institutional demand. From the swiftly gyrating business of peacetime the 74 ships of Canada Steamers are now jammed with business, are likely to stay that way so long as the war lasts. In 1941 coverage of bond interest was 12.39 times before depreciation and 9.29 times after, approximately double the 1940 coverage.

Colonial Steamer bonds have enjoyed consistently strong demand practically since outbreak of the war and managed to tack on an extra 5 points or so during the past year. In 1941 the company had a record year in its package freight boats operating on the Great Lakes and St. Lawrence. Gossip in bond circles for some time has been that the company may pay off its whole bond issue of $1.1 million this year. Call price for the bonds is 102, about a point above the current market bid.

Vickers Interest Accumulation

Canadian Vickers 6's have almost doubled in price during the past year with much of that activity having been concentrated into the past few weeks. Reason for this most recent burst of activity is centred upon the fact that on August 1 the next interest date falls due with an accumulation of 18 points on the bonds. By agreement with the bondholders payment of interest was waived for a three-year period Aug. 1, 1942. Since the time the agreement was made Canadian Vickers has made considerable progress having carried out a heavy volume of business. In 1941 bond interest was covered 7.76 times before depreciation and 4.11 times after depreciation as compared with 2.37 and 1.08 times respectively in the previous year. Working capital at 1941 end totalled $1.4 million, up almost $1 million on the year. General expectation is that when August 1 rolls around it will bring a good interest payment by Vickers.

Locos Paying 12 Points

Much the same situation holds good in the case of Canadian Locomotive 6s. These are income bonds and on July 1 would have had an interest accumulation of 30 points. In 1941 the company earned its bond interest requirements 8.14 times before depreciation and 6.24 times after. The company has orders on the books for 61 locomotives, the largest total for some years. Deliveries are proceeding steadily and payments on this account are understood to have allowed the company to make substantial inroads on its outstanding bank loans. Buyers of the bonds felt that these conditions added up to the probability of a good interest payment in July. That expectation has been realized by recent announcement the company will pay 12%, or two years' interest in July.

Gurney Foundry 5½'s were pretty much of a sleeper issue until around the middle of last year when trading interest developed to a marked degree and the bonds showed a material appreciation. Interest requirements on the 5½'s were covered about times in 1941 compared with around 1½ times in 1940. Despite the fact that some of the domestic products manufactured by Gurney, such as stoves, have been restricted by the government the price stability of these bonds around the 87 bid mark would appear to indicate investor confidence in the company's ability to reasonably maintain its profit position.

Maple Leafs Favored

Big factor in the gain of 12 points or so for Maple Leaf Milling 5½'s during the past year is the way that flour export business has held up; Maple Leaf being one of the biggest flour exporting companies in Canada.

This trade, of course, is always subject to changes in the situation but any reverses so far have been of a very temporary nature and business for Maple Leaf up to the present for this year is understood to have been at a favorable pace. In its fiscal year ended July 31, 1941, the company reported coverage of bond interest 9.17 times before depreciation and 7.01 times after depreciation.

Drydocks Skyrocket

One of the most spectacular performers of the whole corporate bond list during the past year has been Montreal Drydocks which bonds have more than doubled in price. Wholly owned by Canadian Vickers this company had to defer bond interest payments from Aug. 1, 1939, to Feb. 1, 1941. On Aug. 1, 1941, it met the 3% coupon due two years earlier, followed through on Dec. 1 with a 3% payment due Feb. 1, 1940, then on Dec. 31 paid the coupons due Aug. 1, 1940 and Feb. 1, 1941. On Feb. 23, 1942, the company completed its sparkling record of bringing interest payments up to date with a rush by meeting the coupons that fell Aug. 1, 1941, and Feb. 1, 1942. Ability to pay 18% on the bonds in seven months was reason enough for the great market improvement in this case.

An Unusual Case

United Securities presents the anomalous situation of a bond selling about 45 points over a year ago's level although it has just deferred its interest. Chief source of United Securities revenue is dividends from Montreal Tramways which it controls. However, this latter company under an arrangement with its bondholders will be unable to pay common dividends for some time. This severe blow forced United Securities to defer its bond interest and sinking fund payments due May 1, 1942. On that decision price of the bonds slumped sharply but since then they have made a smart recovery presumably on the feeling that the pending scheme of arrangement will not be too unfavorable from the bonds' standpoint.

Due to their fixed rate system utilities are not usually regarded as favorable investments in wartime but Winnipeg Electric has proved the exception to that rule with its "A" bonds up around 12 points during the past year. Expansion of industrial activity in the Winnipeg region has meant considerably increased activity for Winnipeg Electric and demand for power from its customers during 1941 was well ahead of 1940, a condition that is continuing so far this year.

Bond MARKETS

Algoma Central bonds were one of the most active features of the market during the past week, working up to 17 bid at midweek. Reason for the renewed activity was appearance of the annual report which showed gross receipts at almost $3.8 millions, a new high record comparing with $2.7 millions in 1940. After payment of expenses, depreciation and charges a total of $557,666 was left available for interest on the 5% first mortgage bonds on which annual interest requirements are $515,425, Interest, of course, is not being paid on the railway bonds under the terms of the plan for the retirement of the terminal bonds.

* * *

Newsprint bonds continue to attract little favor on the buying side of the market with slight resistance to selling pressure yet displayed. Abitibi 5's cracked off about four points more during the week to around 55½ bid while the remainder of the list backed off more moderately. The newsprints have been hard hit during the past couple of months by fears of the effect on earnings by power diversion to aluminum producing plants along with predictions that the market for the commodity will narrow. Indication of extent of the slump is afforded by Consolidated Paper 5½'s which at 64 are down about 15 points from their year's high.

* * *

Winnipeg Electric "B" bonds on publication of the annual report picked up another point. The report, reviewed elsewhere, shows material increases in gross revenues, operating profits and working capital. Despite increases in taxes and prices of materials it was possible to improve operating ratios during the year.

* * *

Canadian Locomotive 6's are reported continuing in good demand following last week's announcement that 12% interest will be paid July 1. On the strength of this demand the bonds moved up another two points to around 104 bid.

* * *

Montreal Power is notifying holders of the first mortgage and collateral trust 3½% 20-year sinking fund bonds that $169,000 principal amount has been drawn for redemption on June 1 for sinking fund account at 102½ and accrued interest.

* * *

Latest U. K. budget includes as revenue the Canadian government's contribution of £225 millions which is equivalent to approximately 9% of total ordinary revenue the British government expects to realize in its current year. The United Kingdom government expects to spend 52% of the country's national income this year. Total tax liabilities are given as 40% of national income for 1941, 33% for 1940 and 26% for 1938.

The extent to which Britain has been liquidating its overseas investments is illustrated by the fact that overseas disinvestment is forecast for the 1942-3 year in the budget at £775 millions as compared with £798 millions in the 1941 calendar year and £759 millions in the 1940 calendar year. The current figure includes Canada's gift of £225 millions, leaving £550 millions representing further liquidation of overseas securities and accumulation of sterling balances by overseas countries.

The London "Economist" questions whether the £23 millions reduction in estimated proceeds of overseas disinvestment as compared with 1941 makes adequate allowances for the position of Britain's overseas assets and balance of payments of the United Kingdom with other parts of the Empire.

GURD VICE-PRES.

J. H. Murphy, who has been appointed vice-president of Charles Gurd & Co., with which company he has been associated for the past 15 years, latterly as general manager. On the board of directors Mr. Murphy replaces the late W. R. Gurd.

Trends IN INVESTMENT

New York Stock Exchange has just celebrated its 150th anniversary, complete with appropriate ceremonies and some suggestion of longing for a return of the more prosperous periods of its history.

Canada's leading stock exchange cannot claim quite as long a history. Montreal Stock Exchange dates back to 1854 when an association of brokers gathered once a week to settle orders between themselves. The present institution started in 1874. The Montreal Curb Market is of comparatively recent origin, dating only from Oct. 4, 1926.

Toronto Stock Exchange had its origin in the formation of an "Association of Brokers" in 1852 with 12 members. The Standard Stock & Mining Exchange, which merged with the Toronto Stock Exchange in 1934, got its start from the Rossland, B.C., mining boom and started operations in 1897.

* * *

Reform in presenting information to shareholders by British companies is advocated by the London "Economist." Directors and managers have a responsibility, it is claimed, not only to shareholders but to labor and the community at large. Steps taken by the London Stock Exchange to require complete information on new listings are commended but for the present these are inneffective due to wartime ban on private financing.

Profit figures should be given in such a way as to provide a check on the relative efficiency of the management. Use of "secret reserves" is condemned and it is held that appropriations from earnings should be explained, making clear whether they are provisions for actual past liabilities or possible future liabilities.

* * *

Job of auditors is to make clear the financial results of operations, stated in language requiring the minimum of special training for interpretation and neither so voluminous as to be difficult to assimilate nor so imperfect as to leave undisclosed matters of importance.

Understating true profit position, for long considered a desirable and conservative policy, should be abandoned. Published profits should be as close to the truth as possible considering that valuations of most assets and liabilities are matters of estimation rather than of mathematics.

Responsibility for this new era in company reports, it is contended, should not rest primarily with the auditors. They should insist that the spirit, not the letter of the law is fulfilled but the law in Britain itself needs reform to insist on much more complete information, according to the "Economist."

To Canadians, this has a direct application in that much of our company practice and auditing procedure is based on British methods. It is true that the majority of Canadian companies, influenced probably by American practice, give shareholders more complete information than does the average British concern. There is still plenty of room for the improvements constantly urged by The Financial Post.

* * *

Should the Canadian dollar be restored to par in New York, practically all Canadian investors would be affected in one way or another, states R. A. Daly & Co.

It would have a direct effect on Canadian government bonds payable in New York, U. S. stocks and bonds held by Canadians and foreign bonds payable in New York. For all of this group, the prevailing quotations in Canada reflect the 10% premium on U. S. funds.

For gold mines, loss of the premium would mean a reduction of $3.50 per ounce in selling price. Newsprint companies would lose $5 a ton on some 85% of their output.

Offsetting the predictable losses for investors would be certain gains through reduced cost of material bought in the United States. These would be much harder to estimate, and would probably not offset the investor's losses.

GURD DIRECTOR

Stanley Johnston, Montreal financial executive, who has been elected a director of Charles Gurd & Co. to replace E. S. McDougall, K.C., retiring from the board.

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New Officers Montreal Stock Exchange

ANDREW S. BEAUBIEN

GILLES FORGET

C. E. McKENNA

Andrew S. Beaubien, L. G. Beaubien & Co., retiring chairman of the Montreal Curb Market, has been elected chairman of the Montreal Stock Exchange.

Gilles Forget, of the firm of Forget & Forget, and C. E. McKenna, of the firm of O'Brien & Williams, have been elected advisory members of the governing committee, replacing P. H. Brault and H. D. Kingstone.

Other members of the governing committee, re-elected are:

H. MacD. Paterson, Alex Paterson & Co., vice-chairman.

R. B. Ashby, Hugh Mackay & Co., secretary-treasurer.

Raymond Allan, Greenshields & Co., retiring chairman, elected a trustee of the gratuity fund for three years and governor.

D. E. Crutchlow, Crutchlow, Dean & Co., advisory member.

Grant Johnston, Grant Johnston & Co.

F. G. McArthur, A. E. Ames & Co.

Louis Robert, Geoffrion & Robert.

D. S. McMaster.

Market Opinions

Two major points stand out this week—postwar considerations as a basis for stock purchases and scattered signs of clearing skies in the United States security markets.

Barron's, N. Y. (The Trader)—The skies are clearing here and there. There is room and basis for improvement in sentiment. The time for seasonal recovery is near at hand as the wartime liquidating market pushes into its 33rd month. What will bring about, and when, the restoration of investment confidence is no more susceptible of conjecture than 10 years ago at the bottom of the great depression. But in view of the time element alone, an unmistakable change for the better cannot be far distant.

* * *

Financial World, N.Y.—Some further market unsettlement may well be seen in the several weeks ahead, but the opinion is offered that—from a longer term viewpoint—the market in recent weeks has been engaged in rounding out a bottom. Except in special circumstances, this appears to be no time for liquidation of stocks. On the contrary, investors should be currently laying plans for the adoption of an active purchasing policy in the not so distant future.

April War Costs Up 209% Deficit is $76.7 Millions

Canada's deficit last month amounted to more than total expenditures for the same month a year ago. April revenues of $170.8 millions stacked up against disbursements of $247.5 millions meant a deficit on the first month of the new fiscal year of $76.7 millions. In April, 1941, receipts were $78.4 millions, disbursements $71.5 millions, resulting in a surplus of $6.8 millions.

Practically all of the increase in receipts on the month was due to the jump in income tax take, the total of $131.7 millions being triple the April, 1941, collection.

$80 Millions to Britain

Ordinary expenditures during April were held close to last year's level but war costs last month at $142.2 millions were up 209%. Also included in April expenditures is $80 millions attributed to the United Kingdom War Financing Act, 1942; this item not appearing last year.

Among loans and investments is shown an item of $100,000 to Trans-Canada Air Lines along with a temporary loan of $29.6 millions to Canadian National Railways.

Following is a comparative summary of the government's receipts and disbursements for April:

DOMINION FINANCES

	April 1942 $	April 1941 $
Receipts:		
Customs imp. duties	8,623,745	10,143,116
Excise duties	8,590,697	7,185,978
Excise taxes, sales, stamps	16,944,629	15,051,819
Income tax	131,785,941	42,413,426
Post office	3,600,000	3,000,000
Sundry	1,270,053	660,327
Total ord. revenue	170,815,066	78,454,667
Disbursements:		
Ordinary expends.	25,085,280	24,973,869
Transport	8,650	123,934
Relief	85,498	134,662
War	142,276,494	46,284,008
U. K. War Financing Act	80,000,000	......
Govt. owned enterprises	66,000	66,666
Total expends.	247,521,923	71,583,140

Investment Notes

Inter-City Baking Co. has called for redemption of sinking fund $97,000 of its 5½% series A bonds, payment to be made on July 1. Of the total, $47,000 are being drawn in accordance with the sinking fund provisions and $50,000 in accordance with the redemption provisions of the trust deed. After redemption, funded debt will have been reduced to $944,500.

* * *

T. G. Bright & Co. has omitted payment of a dividend to its common shareholders customarily due at this time, although paying a regular quarterly of $1.50 a share on its 6% preferred on June 15 to shareholders of record May 30. Statement of the company emphasizes the fact that it wants to preserve its present strong position to handle increased costs to be absorbed this year. The company has paid common dividends since it was established in 1933 at a 30-cent annual rate.

* * *

Paton Mfg. Co. has called by lot for redemption on Sept. 1 next, $12,500 principal amount of 4½% first mortgage sinking fund bonds for the sinking fund. These bonds will be redeemed at a premium of 3% and accrued interest.

* * *

Inter-State Royalty Corp. reports that at Feb. 28, 1942, investments in royalties had a book value of $1,169,579. Gross revenue from royalty income since acquisition amounts to $503,630 up to Jan. 31, and reserve for depletion $137,763.

In January gross income from royalties and rentals was $4,121, while accumulated income from the same sources for 1942 to the end of February amounted to $5,512.

* * *

Consolidated Paper Corp. reports that in April 198 shares of capital stock were issued in payment of interest, making the present outstanding shares 2,560,745.

* * *

Brazilian Traction has declared 40 cents a share on its ordinary stock to be paid July 18 to record May 30. This follows payment of a 40-cent dividend last December, the first disbursement since 1938. On bearer share warrants the current dividend is to be paid on presentation of coupon No. 69. Most of these share warrants have been held in Europe, chiefly Belgium, and the Custodian of Alien Property has ordered that no coupon detached from any share warrant shall be paid without reference to him.

* * *

Imperial Oil is paying a dividend of 25 cents a share in Canadian funds on June 1, 1942, to shareholders of record May 18. Holders of bearer share warrants present coupon number 57.

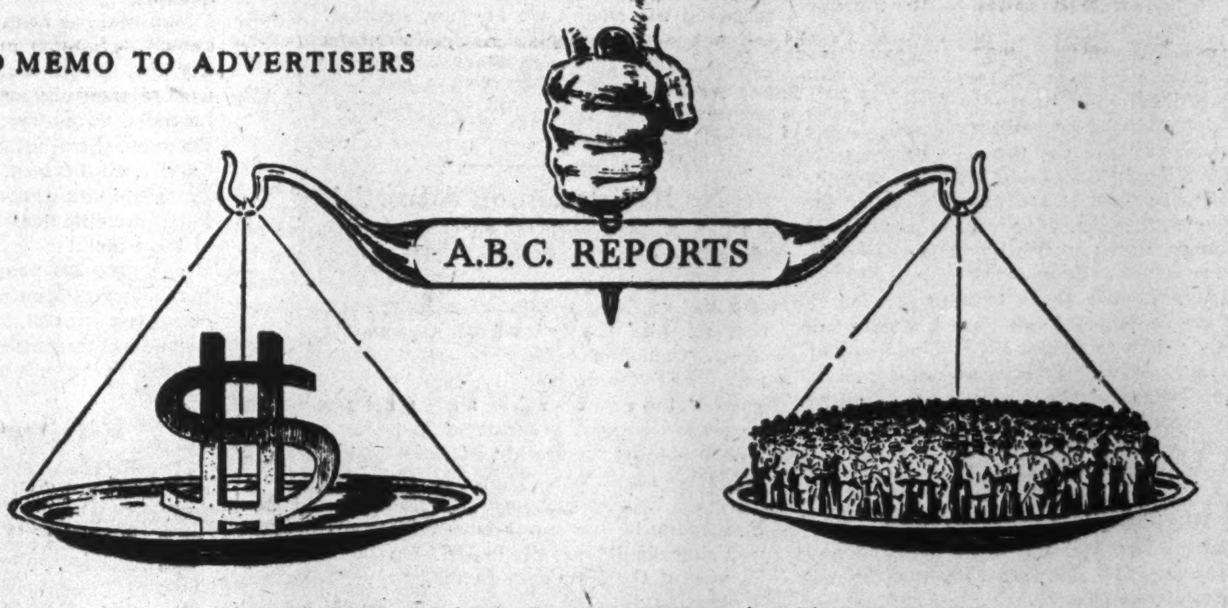
* * *

International Petroleum Co. is paying its regular semi-annual dividend of 50 cents a share in Canadian funds on June 1, 1942, to shareholders of record May 19. Holders of bearer share warrants present coupon number 57.

* * *

Bell Telephone Co. of Canada reported the issuance of 393 shares of capital stock, payment for which has been received. These shares have been issued in connection with the employees' stock plan and bring the number outstanding to 837,365.

• MEMO TO ADVERTISERS



HOW TO MEASURE *Advertising Values*

WE ASK advertisers to think of the circulation of this newspaper in terms of the distribution of their advertising—the size, quality and interest of the audience to which their advertising is addressed. From that viewpoint our circulation becomes a more direct factor in business plans.

There are well-known standards for circulation values just as there are definite measures of weight and quality as used in the purchase and sale of merchandise.

The standards for evaluating circulation have been established by the Audit Bureau of Circulations, a national cooperative association of 2000 advertisers, advertising agencies and publishers in the United States and Canada. This newspaper is an A.B.C. member.

The Bureau has a large staff of experienced auditors and each year one of these men visits our office and makes an audit of our circulation records. Based on the information thus secured, the Bureau issues official A.B.C. Audit Reports.

These reports tell how much circulation we have, where and how it is distributed, how much people paid (important because paid circulation proves reader interest) and many other facts that make it possible to invest in newspaper advertising on the basis of known values.

For complete and verified information about the distribution of your advertising when it appears in this newspaper ask us for A. B. C. reports.

THE FINANCIAL POST

ABC *This newspaper is a member of the Audit Bureau of Circulations. Ask for a copy of our latest A. B. C. report giving audited facts and figures about our circulation.*

A. B. C. = AUDIT BUREAU OF CIRCULATIONS = FACTS AS A MEASURE OF ADVERTISING VALUE

The Editorial Page . .

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

Quebec Must Work Out Own Destiny

A few years ago, a Quebec city, in advertising for industries, included among the "advantages" of that province the fact that there was no workmen's compensation law, no minimum wage law, no mothers' allowances, etc.

In another case, a European industry had selected a site in Ontario; the deal was about to be consummated when a Quebec community guaranteed a supply of young workers at about half the wage level in the Ontario town. Quebec got the plant.

The fact that Quebec itself was once proud of such things is pertinent at this time when there is discussion of the French Canadian's feeling of "economic inferiority" and much discussion of the "exploitation" of Quebec by "outside" capital. The other day a young Quebec journalist gave this feeling of economic inferiority and exploitation as one of the reasons why Quebec voted "no" on the plebiscite. He pointed out that a union carpenter in Quebec City earns half as much as a union carpenter in Windsor; that a bank clerk in Montreal earns $416 a year in a French bank as against $700 in an English bank.

What comparative wage scales have to do with the issues involved in the plebiscite is not clear. But what is clear is that French Canada is going through a revolution in its thinking in respect to many social, economic and political matters.

Some of the more inflammatory of the political leaders of the province talk a lot about "exploitation" of the province by the English-speaking majority, of the "betrayal" of Quebec, of the French being "driven" into isolation and so on.

But there are others in French Canada who are looking within themselves for at least some of the reasons for French Canada's present agony, wherein it finds itself out of step with the rest of Canada.

For example, the young journalist quoted, Jean Louis Gagnon, does not suggest that "the lot which falls to one third of the people of Canada is put upon them by the action of the two thirds." Recent Quebec governments have looked at their own provincial policies as a possible cause of "exploitation"; laws safeguarding workers have been strengthened. It would no longer be possible in Quebec to advertise that the lack of labor legislation is an "advantage" for industry.

The Quebec government has also been feeling its way toward changes in the provincial education system to fit more young men and women for success in commercial life. Premier Godbout has been particularly insistent upon French Canadians learning English as a second language "giving them thereby access to the various positions in our national economy"; putting at their disposal "a pass key that will open to them the door of success."

The French Canadian with two languages has something that no English-speaking Canadian, knowing only one language, has: he can offer his services in a "market place" of 12 million people (if not of the whole 145 millions north of the Rio Grande). The man who speaks French only is necessarily confined, in business, to the smaller area of Quebec itself, plus fragments of New Brunswick and Ontario.

There are extremists who urge that the province plunge more deeply into the very isolation that today is chief cause of its embarrassment. There are others who picture the province as the prey of an arrogant English-speaking majority. But the loudest voices in Quebec are not necessarily the wisest. There are shrewder counsellors within French Canada itself; men who urge self-examination.

As the new Quebec seeks to emerge there is little that the people of Anglo-Saxon race can do to help, other than to be patient and understanding. Least of all will unkind and ill-tempered words help. Quebec must work out its own destiny. It cannot be forced by the majority; but it may be led by its own wiser statesmen.

Where Are We Heading?

Canadian citizens and Canadian industry have made every sacrifice demanded in the interests of waging total war. They have given up luxuries, have reduced their consumption of necessities, shared their trade secrets, opened their most confidential records to the scrutiny of government investigators. They have eliminated services which they had come to regard as part and parcel of their normal standard of living. They have submitted to every sort of regimentation demanded.

They have done this willingly and cheerfully and are prepared to go to any further length necessary, for the single purpose of defeating a totalitarian enemy and regaining their pre-war freedom. And now it is intimated by a responsible government official that this regimentation, which even in its mildest form would not have been tolerated for an instant by any democratic state in times of peace, may become permanent after the war.

Robert F. Chisholm, Administrator of Wholesale Trade, Wartime Prices and Trade Board, made such a prediction in Toronto last week. Stated Mr. Chisholm:

> "Everything that we are doing today, is expressing in reverse all the marketing, merchandising, selling training we have ever had. All our experience is being put into reverse. In the first place rugged individualism is no longer at a premium. It is at a discount. Frankly, there is no place for rugged individualism. We are realizing it now. And high time, too."

Does this mean that permanent regimentation is to be the reward for our sacrifices? If that is so then it may well be asked, what is the point in fighting totalitarism if all we can see at the end of the road is a totalitarian state for ourselves?

In a later speech Mr. Chisholm modified his declaration considerably, said that "some of the sensible moves being made voluntarily by the wholesalers and manufacturers at the present time are likely to stay." He also added that "there can be no doubt that all of us who are mixed up in this price control operation will be fervently glad to drop the whole thing the day the war is over."

This is much better and also is the opinion of Labor Minister Humphrey Mitchell expressed at Hamilton this week. Mr. Mitchell declared that "every precaution is being taken to ensure that privileges or other special conditions temporarily abandoned are restored after the war." But a more emphatic and definite declaration will be necessary to dispel the widespread uneasiness aroused throughout the country.

The government should quickly and completely dissociate itself from such suggestions as those made so definitely by Mr. Chisholm originally and only a little more vaguely by several other recent additions to our "new type" civil service.

This country was founded and developed on freedom of the individual and free play for commercial competition. Without these we would never have enjoyed the highest standards of living in the world, we would never have become the envy of the small-minded regimented states that make up the enemy we are now fighting. These things are too important to be tossed away for some vague, drab Socialistic existence, wherein all private initiative would be smothered and the people literally reduced to a nation of experimental guinea pigs.

No Restriction on Advertising

Hugh A. Mackenzie, plain speaking director of Simplified Practise for the Wartime Prices and Trade Board told a Montreal audience last week of some amazing economies in eliminating business frills in the interest of a streamlined war effort. Canadian consumers and Canadian business, he stated bluntly, just cannot afford some of the extra services and luxuries to which they have become accustomed in peacetime. But on one notable service Mr. Mackenzie significantly urged no restriction. That was advertising.

In the whole economy programme, said Mr. Mackenzie, he has never once suggested that advertising should be eliminated. On the contrary, he was of the firm opinion that "advertising has a great and important duty to perform in the interests of total war," that "the most powerful and effective means whereby the public may be informed as to changes, and assisted in their undoubted desire to pull together for the prosecution of the war, has been built up and is available through the work of the advertisers and their agencies in the past."

Mr. Mackenzie urged that this well tried weapon of successful business be given greater use, by revising it to meet the peculiar problems of wartime. Through advertising he would have advertisers tell their customers of changes made necessary by the war effort, of why the changes are necessary, and of how to take better care of the goods that are available. He would have them told that "waste is sinful and that hoarding is treason." And Mr. Mackenzie would have them perform this service continuously, would, in short, maintain the contact between business and its customers through the present war period, thus preparing and smoothing the way for the day when normal relations are again established after the peace.

Is Hirst Still Building Morale?

The most unfortunate feature of the Hirst incident is that it is certain to be quoted, for a decade or more, as evidence that the business of being a "dollar-a-year-man" idea is just a racket. Scores of really able executives, contributed by their firms to Canada's war effort at no salary expense to the government, will suffer because Ralph P. Bell, director-general of aircraft production permitted, in this instance, his energetic enthusiasm to outweigh his good judgment.

The effort to compensate E. G. Hirst for the contribution of his time to morale building in the aircraft industry by bludgeoning war plants into diverting printing business to Might Directories was well labelled by Mr. Howe as "wholly improper."

The Minister of Munitions and Supply was candid enough when the facts emerged. One point, however, is not clear. Is Mr. Hirst still charged with building morale among workers in the aircraft industry? If so, it would appear that the money is being wasted, no matter whose money it is. Workers will hardly respond to the appeals of a man whose services to the government had to be compensated by special pressure for printing orders.

There is a job of morale building to be done in war industries. It is a job that calls for experience, character and leadership. If the holder of the job requires to be compensated he should be paid an adequate salary that will make it unnecessary to pass the hat. And as morale work would presumably increase production and lower costs it is a legitimate "overhead" cost and need not be concealed.

Salute to Montreal

This week Montreal celebrated its 300th anniversary. In 1642 Maisonneuve, Jeanne Mance and their few followers built a small, stockaded fort at Hochelaga. From this modest beginning there developed one of the largest cities on the continent and which directly and indirectly has had a profound influence on the development of this country.

Montreal has played a noble part in the history of this country. From this point went out the explorers who opened up the west and explored the Great Lakes and the Mississippi Valley. From this point started Canada's first railway and also its first transcontinental railway. The fur trade had its centre here. Through this port has flowed hundreds and hundreds of millions of dollars of trade — Canadian goods for the markets of the world and the produce of other countries to meet our own needs.

Montreal has been fortunate in having men who contributed much to the upbuilding of their own city and, in turn, Canada. Through its streets have walked men big in vision and accomplishment— La Salle, Verendrye, Frobisher, McTavish, McGill, Peterson, Strathcona, Van Horne, Shaughnessy, Cartier, Rutherford, Molson and scores of others. From one end of the country to the other will be found tangible evidence of the deeds and workings of these men.

The past 300 years have been glorious ones in the history of Montreal. The next 300 years should be no less fruitful, if those to come play their part as well as those citizens of Montreal who have gone before.

Editorials in Brief

From a Washington dispatch in The Financial Post of May 2:

> "The 'new construction' phase is tapering off . . . This may mean tearing up blueprints for projected war factories . . . Much labor and steel that would otherwise have gone into new plants will be available to feed existing war plants."

From a Washington dispatch in U. S. papers, May 14, 1942:

> "The War Production Board is sharply curtailing its building of plants for the future in order to step up the immediate output of ships, planes, tanks and munitions, it was learned authoritatively today. . . ."

* * *

Quebec voted no on the plebiscite, being the only province to do so. Nova Scotia says it will not accept the cut in gasoline rations. British Columbia says it is not getting enough war orders. Ontario's Premier Hepburn always insists upon taking a stand opposite to that of Canada's Prime Minister. Alberta wants its own currency and banking system. And so on.

So far there haven't been any kicks from the North West Territories.

—Cartoon by Grassick.

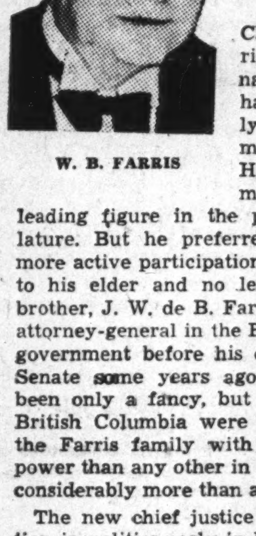
ALL QUIET ALONG THE ST. LAWRENCE.

Post-Scripts . . . .

Behind the Scenes

British Columbia's new chief justice, Wendell Burpee Farris, has long been recognized as one of the province's ablest corporation lawyers with a rare gift for practical politics.

But directly associated as he has been for years with the political operations of the Liberal party, Wendell Farris has always chosen a spot behind the scenes or in the prompter's box where he has often been described as the master mind of Liberal strategy west of the Rockies.



W. B. FARRIS

Time and again Chief Justice Farris rejected nominations that would have undoubtedly made him a member of the House of Commons or at least a leading figure in the provincial legislature. But he preferred to leave the more active participation in political life to his elder and no less distinguished brother, J. W. de B. Farris, who was an attorney-general in the British Columbia government before his elevation to the Senate some years ago. It may have been only a fancy, but most people in British Columbia were ready to credit the Farris family with wielding more power than any other in the province for considerably more than a decade.

The new chief justice had his education in politics early in his career. Born at White's Cove, N.B., 55 years ago, the son of the late Hon. Laughlin P. Farris, one-time minister of agriculture of that province, he went to the University of New Brunswick and to King's College law school, from which he graduated in 1908. Even before he left law school he was in politics, for he worked effectively for the election of Col. H. H. McLean (later Brig.-General McLean) on one of the rare occasions when the Liberals were able to wrest the Saint John county seat from the Conservatives.

"That was my first campaign and it was a peach," recalls the Chief Justice. "Col. McLean had a couple of yachts in which he used to tour the constituency. We carried a brass band and a circus tent, and it was a real carnival. We served pink lemonade and gave away flags, candy and cigars."

Wendell Farris was 22 then and the following year he went west to British Columbia, where his brother "J.W." had been in Vancouver long enough to run in two elections — unsuccessfully. That was in the era of the late Sir Richard McBride, whose magic killed at birth any hopes of Liberal success.

During the next few years the present chief justice served in various law firms in Vancouver and Revelstoke, but eventually the Farris brothers founded their own firm, now known as Farris, Farris, McAlpine, Stultz, Bull & Farris which, apart from its other virtues has set a record for length of nomenclature likely to stand for many years in British Columbia.

Specializing in corporation work, Wendell Farris soon won a reputation as an energetic, aggressive and successful lawyer. He became a K.C. in 1922, appeared as chief counsel in many important cases, three of which took him to the Privy Council in London. On each occasion he won. Probably the most important case in which he appeared was the famous "Shannon versus the Attorney-General of B.C." which determined the rights of provincial governments in respect to legislation under the terms of the B.N.A. Act, the issue being co-operative marketing.

His advice was valued by many business houses and it was inevitable that he would find a place on many boards of directors. Last year he became a director of Famous Players Canadian Corporation. He was a partner in the King-Farris Lumber Company and a director of Farris Investments, Ltd., Canadian Forest Products, Ltd., Harrison Hot Springs Hotel Co., Ltd.; National Mortgage Company; Union Steamships, Ltd.; London & Western Trusts Company, Ltd. and Pacific Petroleum, Ltd. In the mining field he has been president of Hedley Mascot Gold Mines.

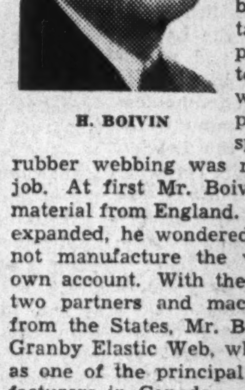
In addressing a large group of barristers after his elevation to the bench, the Chief Justice said: "To my mind, a basic qualification for any judge is that he start his career on the bench free from prejudice. I think I can claim at least this qualification, because after 30 years of practice it is with great pride that I can tell you gentlemen there is not a single member of the bar toward whom I have anything but the most kindly feeling."

* * *

From a Cobbler's Shop

The Mayor of Granby, one of Quebec's highly industrialized centres, is no grey bearded solon who has reached that eminent post after years of service on the council. Instead he is 36-year-old Horace Boivin, an aggressive and successful young French-Canadian business leader. His election to the post of Chief Magistrate was not only an endorsation of his abilities by his fellow citizens, but also in part a recognition of the great part which his father had played in building up the town when he was mayor of Granby from 1915 to 1934.

Horace Boivin began his business career with the Granby Elastic Web of Canada Ltd., which had been established by his father. The manner in which the company came into being is rather interesting. The late Mr. Boivin started life as a cobbler. He was not only a good cobbler, but one with imagination. He widened his business by attaching a "creeper" to overshoes to prevent the wearer from slipping on the ice. A special type of rubber webbing was required for this job. At first Mr. Boivin imported the material from England. Then as business expanded, he wondered why he should not manufacture the webbing for his own account. With the financial aid of two partners and machinery imported from the States, Mr. Boivin set up the Granby Elastic Web, which today ranks as one of the principal webbing manufacturers in Canada.



H. BOIVIN

When Horace Boivin left Mount St. Louis College in Montreal, he started in as a mill hand to learn the elastic webbing business. He worked through all departments and, until he succeeded to the presidency acted as export sales manager. In this capacity he travelled widely in Europe, Australia, New Zealand, India, China and Japan, where he opened important markets for the company's products. During one of his visits to Europe he spent three months in Soviet Russia, studying industrial conditions as the guest of the U. S. S. R. government.

Upon the death of his father in 1938 Horace Boivin took over the position of president of Granby Elastic Web of Canada. The business continued to expand steadily. When the rubber restrictions were applied, Granby Elastic Web continued on its way, for the manufacturing facilities of the firm, even before, had been adapted to meet the country's wartime needs. At present the company is an important producer of web equipment for pack-sacks, haversacks, etc.; camouflage nets, canvas and other articles needed by the armed forces. Between 80% and 90% of output is now on government account.

Though operating Granby Elastic Web is a full-time, man-sized job, Horace Boivin has managed to take on many outside activities. Not only is he director in charge of narrow fabric and surgical bandages for the Wartime Prices and Trade Board, but he also holds the position of president of Everlastic Corp. of Canada Ltd., World Wide Chewing Gum Ltd., and is a director of W. A. Fortin Ltd.

In addition he has found or made time to take an active interest in community affairs. He was elected mayor of Granby in 1939 and has served as President of the Board of Trade for three years, during which time 14 industries have located in the town largely as a result of his efforts. He is now vice-president of the Eastern Townships Associated Boards of Trade. He founded and organized the Aramis Club Inc., and organized the Provincial Senior Hockey League, of which he has been president since its organization. He also served as a captain in the infantry and artillery and at present is Hon. Lt.-Col. of the Chateauguay Regiment.

All in all Horace Boivin has led an active life for one of his age. Even more important, he represents the younger type of French Canadians who are finding a place for themselves in the business life of the province and the Dominion.

* * *

On Canada's Front Line

You step through an all glass door of his office onto a balcony and *right there* in front of you and below is Canada's very front fighting line.

It's one of the busiest harbors in the world—one of the chief funnel mouths of the vital supply line to Great Britain.

The harbor is, of course, Halifax. The office belongs to Ralph Waldo Hendry, port manager. In wartime, he has one of the most crucial jobs in the Dominion.

Ruddy, virile Mr. Hendry, is one of the men who has transformed Canadian port management. In the old days rival ports are said sometimes to have radioed ships far at sea luring them away from competing ports with special offers of one kind and another. Some ports year after year wrote off thousands of dollars of ships' fees as "uncollectible."

Then the National Harbors Board took over port management and Hendry was the man selected to run Halifax. That was in 1936 and he is widely credited with a performance that has delighted Halifax and Dominion both.

The only time he has been away from the Atlantic in his 56 years was when he went to the University of Toronto for a Bachelor of Arts degree. He had been born in Liverpool, N.S., was educated there. After graduation, he went right back to the sea and organized his own waterfront business. Dynamic in community life, he chairmaned the school board, served as alderman and police commissioner.

Now, a big part of Canada's war effort goes past Mr. Hendry's window in assorted craft bearing the flags of most of the United Nations. Some of his jobs are now being done by the Canadian Navy. But keeping smooth and efficient and co-ordinated the multifarious facets of a great port is a mighty war job indeed.

* * *

Stop Me If . . .

Bill wanted to slip out of barracks—unofficially—to see his girl, and he went to the sentry and stated the case.

"Well," said the sentry, "I'll be off duty when you come back, so you ought to have the password for tonight. It's 'Idiosyncrasy.'"

"Idio-what?"

"Idiosyncrasy."

"I'll stay in barracks," said Bill.

The Financial Post

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Other People's Views . . . . . .

The Canadian Editorial of The Week

Autocrats Pro Tem

Toronto Globe and Mail

The pressure of war has forced a form of economic organization on the country which is not indigenous to it or looked upon with any affection by the people. Canadians are not sympathetic to direction from the top down as a method of organizing the State. They are prepared to accept it, however, as a necessary evil and one which is likely to produce the quickest results despite all the inconveniences and stupid mistakes which always follow in the train of bureaucracy. But when the war is over they will repudiate State administration of everything which affects their lives unnecessarily, though they will probably retain State regulation of private enterprise in the interests of social justice.

In Canada, the extension of government control over so many aspects of economic life has resulted in the appointment of an army of directors and controllers, national, regional and local. The offices have been created overnight and filled in haste.

We have a new crop of bosses against whom there is no appeal. Many of them are conscientious men who are doing their best to make our war effort more efficient and expedite the ugly business so that it can be brought to an end as soon as possible. These men are looking forward to the day when they can get back to their ordinary occupations.

But there are others, brought from obscurity and frustration, who are revelling in their tenure of positions of power and who pray with all their hearts that when the war is over they will be able to go on ordering their fellow-citizens about. They will not. They will have to go back and live with their fellow-citizens.

Those same fellow-citizens are reasonable beings who do not resent any necessary curtailment of their pleasures and privileges if it will help the cause. But they do resent being made whipping boys by men of commonplace ability with an incipient power complex. There is an old saying about the wisdom of being modest, courteous and considerate to the people you meet on your way up, because they are the same people you will meet on the way down again. It applies with special force to bureaucrats in temporary positions of authority.

As Others See Us

Too Late

Elora (Ont.) Express

The new joint agricultural policy of Canada and the United States is, as usual, several months behind the time when it would have proved of the most use. The Financial Post comments, "Western reaction to the announcement of the new joint agricultural policy of Canada and the United States is that it came too late for maximum results. Seeding is already far advanced over a greater proportion of the United States and plans for crop production have been completed in most of Canada." Too little, too few, but most of all too late seems to be the agricultural policy prevailing at Ottawa.

* * *

Party Government Breaks Down

Montreal Gazette

The Financial Post takes the position that a national cabinet is vitally needed to push the war. The Post says that Mr. King's policy with French Canada has failed, that nothing matters except winning the war and that the only course open to the government is to go ahead immediately with plans for full mobilization of Canada's man power. This means a national cabinet that will go all out on the war, a cabinet composed of men of ability and courage. Where are they to be found? Not, says The Post, all in the Liberal party, nor all in English-speaking Canada. "There are French-speaking Canadians as willing to go all out, as ready for sacrifice, as any English-speaking person in Canada. They should come forward now and show to the world that French Canada does not consist merely of four million Cardins or Maxime Raymonds."

The Post is taking no new line in this matter. It is reaffirming a position consistently maintained since the beginning of the war and immeasurably strengthened now because we now have something even less than a party government. We have government by a party torn by dissension, divided on the one issue in which the country's safety is bound up and upon which the national future depends. If party government was bad for Canada, government by a party rent by internal antagonism on the war policy itself is infinitely worse.

Prime Minister King has an opportunity to lift himself from the status of a party leader to that of a national statesman. Will he take it?

* * *

Tribute Where Tribute Due

Moose Jaw Times Herald

If several of the "big city" newspapers that make criticism their main contribution to the prosecution of the war would take a leaf out of The Financial Post's book of giving a little credit once in a while where credit is so manifestly due, even their criticism would have greater value because of this evidenee of the spirit of fairness.

While critics play a vital role in safeguarding good government in peace and courageous, fearless, efficient government for the prosecution of the war, at the same time due recognition of work well done and due tribute to wise leadership have their place. The Financial Post seems to take this view, because, along with its fair constructive criticism it emphasizes also high tributes paid to Canada's leadership in the war effort.

* * *

Sayings of the Week

"We must carry the war into the beer garden of Hitler and the tea garden of Hirohito." — *Harold L. Ickes, U. S. Secretary of the Interior.*

* * *

"Jack Canuck must strip to the waist to win the war. So far all we have taken from him is his double-breasted suit." — *Hugh Mackenzie, Director of Simplified Practice, Wartime Prices and Trade Board.*

* * *

"Fundamentally the world has no need of a new order or a new plan, but only of an honest and courageous application of the historical Christian idea."—*General Jan Smuts, Prime Minister of South Africa.*

Cutting the Costs in Canadian Business

Plumbing and Heating Styles Slashed

Cuts Mean Big Savings in Stocks, Labor, Vital Materials

With official encouragement turned on the plumbing and heating industry to simplify its methods of operation, piled up inventories that mean frozen money will be melted, precious man-hours of labor will be saved on the new trimmed patterns, vital materials will be conserved for the war effort.

Extension of the frill-killing programme to this industry is expected to mean a saving of some 4,000 tons of metal—enough to make about 400,000 machine guns.

All the many varieties of radiators and bathtubs will no longer be available but Canada's essential requirements in this field will be met without waste, without frills. There will be a faster movement of material through factories, from pig iron and scrap at the foundry to service in the heating installation.

Primary consideration in the heating products industry has been to save man-hours and reduce the inventories of manufactured metal products carried idly in stock rather than to conserve or reduce the overall consumption of metal.

Quality Upheld

Despite the fact that there has been an overall reduction of 84% in radiator varieties ordered and about a two thirds reduction in bath and sink styles, there will be no diminution in the actual size of any of the articles which may still be manufactured. Nor is there any change in material specifications, either as to quantity or quality. In short, any article retained for manufacture, of a given size, will still be the same and will weigh the same in actual metal content.

Real effect of the programme will be found in the big reduction made possible in stocks lying idle. Limiting of manufacturers to a prescribed range of sizes and types will mean hundreds fewer iron castings lying around in stockrooms and warehouses. Stocks of seldom used types need no longer be maintained against occasional demand. Lines which have been in small demand, and for which other standard sizes and types can be readily substituted, are now cancelled.

This trimming means that the producers will be able to concentrate on the mass production of fewer items, thus speeding completion and deliveries, reducing man-hour time required for frills and special assemblies, making it possible to cut down heavy backlogs of unfilled orders.

Radiator Savings Big

Effect of the moves is particularly visible in the frill-ridden radiator field. The enormous piles of assembled radiators which heretofore have been carried in stock will now be slashed by more than two thirds. Old and new styles in radiator manufacture are shown in the following table:

	No. of Sizes Formerly Made	No. of Sizes Now Made
Free Standing		
3-column	4	2
4-column	5	4
5-column	4	2
6-column	4	1
7-column	4	1
Block Wall Pattern		
Old pattern	5	2
New pattern	5	2
Two tube wall type	3	2
Hospital type	25	0
Concealed type	3	3
Convection type	2	2
Total	64	21

This tabulation does not include special angles and special heights of leg sections which were possible with all the above "column" type of radiation.

Despite the fact that this tabulation shows a reduction of 67%, it actually does not tell the full story. Formerly all radiators were assembled and stocked in assemblies of any number of sections from five to 30. The new order limits assemblies to even numbers of sections only. Hence there were formerly 64 sizes of which 54 were assembled and usually carried in stock from five to 30 sections. Now as radiators are only assembled in even numbers of section, i.e., 10, 12 and 14, etc., the actual reduction of radiators may be shown as follows:

Formerly—64 sizes	
10 sizes not in sections ...	10
54 sizes in 5 to 30 sections	1,404
	1,414
Now—21 sizes	
4 sizes not in sections ...	4
17 sizes in 6 to 30 sections	221
	225
Overall reduction in number of varieties	1,189
Overall reduction in percentage	84%

In other items of heating equipment the curtailment has not been so great as in radiators. In boilers, for instance, the cut has been relatively light principally because there has not been the same degree of style expansion as in radiators. The various sizes of boilers made are still necessary to take care of requirements. Radiators lent themselves to a wide range of specialized assemblies, something that boilers did not.

The number of round boilers has been reduced from 19 to 14 sizes and the square boilers from 10 to eight widths. Prefabricated boiler jackets have been eliminated entirely.

In tank heaters the cut is from 14 to 12 sizes, this being due to the same reasons as those that held down boiler eliminations. Bungalow heaters are being reduced from six to three sizes.

Plumbing Reductions

In the plumbing field a number of product sizes are now being eliminated. In sink manufacture, sink and drainboard combinations larger than 42 inches by 22 inches are out as are roll rim sinks in sizes larger than 30 inches by 20 inches, apron sink and combination and cast iron enamelled separate drainboard.

Built-in baths may now not be manufactured except in 4½ or five ft. lengths while staple roll rim baths on feet in four, 5½ and six ft. lengths are now also beyond the pale. Cast iron bases for any roll rim bath are out.

For lavatories there are several new restrictions which include elimination of the type of lavatory supported on metal legs and pedestal lavatories except in sizes 22 by 19 inches and 24 by 20 inches.

The Week in Business

General picture of business conditions in Canada in recent months is apparently beginning to be duplicated in the United States. Word from that country suggests that industry and commerce has reached a kind of plateau where it may hold for some time. As fast as war stimulates production in one direction, it restrains it in another. The same thing is suggested in Canada, the result of near-capacity employment of plant, materials and labor.

Dominion finances for April reveal the extent of the change in our economy over the past year. War expenditures totalled $142.3 millions this year; a year ago they were only $46.3 millions. Figures for the Dominion's revenues and total expenditures show a similar comparison.

Life insurance sales in April this year at $36.2 millions were less than a million dollars above the same month a year ago. For the first four months, the gain is $62 millions, or 19.8%.

Bond sales this year are inflated by the huge Victory Loan earlier in the year. April figures, however, are up about $20 millions at $100.9 millions.

Newsprint production and exports are slowing up. Production in tons was slightly lower in April although 9.5% higher for the year to date. In exports there is a decline of $2.3 millions in April to $10.7 millions although the four month total is $6.3 millions, or 14.5% higher.

Carloadings at 66,690 for the week ended May 9 are 5,100 ahead of the same week a year ago and to date this year a gain of 125,000, or 11.7%, is reported.

Automobile passenger car sales in March at 2,269 compare with 11,261 in March, 1941. For the first quarter a drop of 12,700, or 53.4%, is shown.

Truck and bus sales in March practically held last year's levels and for the first quarter show a gain of 32.6%.

LATEST FIGURES AND INDICES
New items this week marked ■

	Apr.	Mar.	Feb.	Jan.	Year Ago
The Financial Post business index	....	*168.2	169.2	168.0	154.3
Dom. war expend. (million $)	......	....	132.9	145.2	82.7
Dom. total revenue (do.)	....	....	109.7	120.5	80.0
Dom. total expend. (do.)	....	....	163.7	184.6	105.5
Retail sales index no.	....	161.8	154.8	150.9	129.3
Dept. store sales index no.	....	157.0	142.7	151.1	125.0
Wholesale sales index no.	....	154.7	136.1	132.2	125.1
Country store (% change pr. yr.)	....	+13.8	+15.3	+20.5	+5.5
Divd. payment index§	121.4	121.4	121.4	121.3	121.2
COST OF LIVING—					
D.B.S. index	115.9	115.9	115.7	115.4	108.6
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.1	165.4	165.8	135.3
Manufacturing	....	195.7	191.2	187.1	150.8
Payroll (June 1/41=100) (b)	....	119.4	118.5	112.3	....
Payroll index (a) (1937=100)	....	190	178	185	154
			Jan. 1 to date		%
RAILWAYS—	1942	1941	1942	1941	Change
■Carloadings (week May 9)	66,690	61,566	1,178,113	1,053,896	+11.7
■C.N.R. gross (week May 14) $	7,146,000	6,067,000	121,633,000	101,168,000	+20.2
■C.P.R. gross (week May 14) $	4,993,000	4,234,000	88,139,000	70,408,000	+25.1
C.N.R. net revenue (Mar.) $	6,423,606	4,932,055	15,225,159	10,691,565	+42.4
C.P.R. net revenue (Mar.) $	3,785,935	3,246,075	9,984,011	8,520,406	+17.1
IRON AND STEEL—(March)—					
Pig iron production (tons)	167,116	114,282	474,245	331,841	+43.2
Steel ingots and castings prod. (tons)	265,903	218,939	767,840	621,006	+23.5
AUTOMOBILES—(Number)—					
Passenger Cars:					
■Domestic sales* .. (Mar.)	2,269	11,261	11,045	23,711	—53.4
Factory output ... (Mar.)	3,192	12,093	11,430	34,730	—67.1
Trucks and Buses:					
■Domestic sales .. (Mar.)	3,377	3,390	8,620	8,123	+6.1
Factory output ... (Mar.)	16,996	13,951	50,690	38,219	+32.6
Financing:					
Used ... (Mar.) $	1,662,722	4,214,622	4,645,149	9,616,825	—51.7
New ... (Mar.) $	1,138,031	3,286,098	3,616,941	7,954,061	—54.5
CONSTRUCTION—					
Contracts awarded . (Apr.) $	22,512,100	23,567,200	64,295,600	88,843,500	—27.6
Cement prod., bbls. (Feb.)	299,361	302,182	582,756	584,746	—0.3
AGRICULTURE—					
Flour prod., bbls. .. (Mar.)	1,806,854	1,476,673	4,947,682	4,116,229	+20.3
Flour exp., bbls. ... (Apr.)	1,127,974	849,816	3,834,084	2,370,530	+61.7
Cattle sales▲ ... (Apr.)	79,608	89,786	359,331	313,431	+14.6
Hog sales▲ ... (Apr.)	631,098	600,676	2,226,043	2,065,377	+7.8
SEA FISHERIES—‡					
Catch, cwts. ... (Mar.)	231,740	427,300	2,042,540	1,336,500	+52.9
Landed value ... (Mar.) $	638,500	602,500	2,269,300	1,718,000	+32.0
NEWSPRINT—					
■Production, tons ... (Apr.)	277,741	279,996	1,163,581	1,062,670	+9.5
■Exports ... (Apr.) $	10,702,000	13,019,000	50,285,000	43,917,000	+14.5
MINING AND OILS—					
Coal prod., tons ... (Mar.)	1,600,269	1,546,530	5,191,694	4,826,332	+7.4
Coal import, tons . (Mar.)	979,169	703,411	2,756,038	1,741,393	+58.2
Gold rec., fine oz. .. (Mar.)	377,109	426,842	1,164,622	1,300,324	—10.4
Crude oil, imp. gals.† (Mar.)	86,746	62,661	248,750	181,124	+37.3
ELECTRIC POWER OUTPUT—(March)—					
Total monthly, 1,000 kw.h.'s	3,220,953	2,631,809	9,311,680	7,673,578	+21.3
FOREIGN TRADE—♦					
Imports ... (Mar.)	$144,886,122	107,982,222	406,568,557	295,996,312	+37.5
Exports ... (Mar.)	176,949,773	102,958,387	497,454,071	292,435,196	+70.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ... (Mar.)	147,261	169,810	379,682	486,643	—22.0
Shoes, prod., pr. ... (Mar.)	2,921,536	2,524,243	8,011,567	6,641,192	+20.6
Cotton consump., lb. (Mar.)	16,192,378	16,803,419	49,728,082	49,086,877	+1.3
Raw rubber imp. lb. (Mar.)	11,440,796	8,692,314	21,500,479	31,232,217	—31.2
Cigarette cons., No.† (Mar.)	785,808	692,672	2,309,278	1,872,762	+23.3
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ... (Mar.) $	4,176,830	2,838,146	10,300,482	8,319,432	+23.8
■Bond sales† ... (Apr.) $	100,891	81,157	1,376,993	321,300	+328.8
■Life insurance sales (Apr.) $	36,232,000	35,398,000	154,546,000	128,924,000	+19.8

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
§Supplied by Nesbitt, Thomson & Co. *Final.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

On the Record

No sheet, plate, bar or structural steel may now be shipped by a mill without the authorization of the Steel Controller.

No usable tires or tubes may now be purchased for trucks engaged chiefly in carrying luxury goods under the tire-rationing order.

Some 200 million miles of truck travel will be eliminated in the next 12 months by the co-operation of the truckers in doubling up, in eliminating empty hauls and in careful scheduling, according to James Stewart.

All week-end excursions and other luxury trips will be eliminated. No bus may be operated on a route not approved by the Transit Controller and every operator must justify, as essential, any route which he now operates or intends to operate.

Fred W. Jones, general sales manager, Hobbs Glass Ltd., London, appointed director of the Management Service Section of the Division of Simplified Practice of W. P. T. B.

Alice Harriet Parsons, named coordinator for the Consumer Branch in Ontario of the W. P. T. B.

Contracts awarded and commitments made by the Dept. of M. & S. on Canadian, United Kingdom, and other account have now passed the $4 billion mark.

A $42-million programme of building home defense airdromes on east and west coasts under way.

Hoarding of bicycle tires will be prohibited under the tire rationing order. A bicycle owner must dispose of his old tire or tube to the National Salvage Committee or junk collector before purchasing a new tire or tube.

Marriage allowances of all officers and ratings of the Royal Canadian Navy will be equal to those paid to the other armed forces, according to the new regulations.

Capital assistance granted by the government up to the present time amounts to about $380 millions, according to Hon. C. D. Howe in the House of Commons.

Fourteen thousand small boats have been built since the war began.

Two hundred and seventy-two "dollar-a-year" men are working for the government of Canada.

Airplane industry has expanded its personnel 40 times since the start of the war. It now absorbs on an average of 2,000 men a month.

Auto Insurance Cut by Lloyd's

A reduction of 15% in property damage and public liability insurance rates has been put into effect by Non-Marine Underwriters at Lloyd's on private passenger cars in gasoline rationing categories A and B in Toronto territory.

Cars which come in Bx or higher categories are not affected. No distinction is made between cars driven only for pleasure, or one driven partly for pleasure and partly for business. The gasoline category is the factor that counts.

In Montreal territory the reduction is 20% on cars in A gasoline rationing category and 12½% on cars in B.

The change is effective as from April 1.

This reduction in rates by Lloyd's means that reductions of varying extent have been effected by all main groups of insurers, the tariff insurance companies and the non-tariff companies having announced revisions previously.

C. P. Air Lines Turns Back Air School Profits

From Our Own Correspondent

MONTREAL.—Plans are being made to double the capacity of air observer training schools under private ownership, according to a statement made by Air Minister C. G. Power, who pointed out that six of the training schools in Canada are operated by the Canadian Pacific Air Lines. In this connection he stated the C.P.R. made an arrangement with the government to operate air observer schools under present contracts on a non-profit basis. All accrued surpluses and reserves will be returned to the Crown at or before the termination of the contract at the Minister's option.

The net annual profit to each operating company after making provision for income taxes approximates $5,000 for each school.

Canned Fish Still Available Though Main Items Gone

Although Canada's entire 1942 pack of canned salmon and canned herring is going overseas, Canadians will not have to do without canned fish, the Department of Fisheries at Ottawa points out. The major items may be gone, but other kinds of food fish and shell fish will be available, it is stated.

List of canned fish likely to continue to be available for Canadians includes Atlantic chicken haddies made from haddock, cod and hake. Canned pilchard or anchovies should continue to come from the Pacific coast. Kippered herring and kippered snacks will still be available. Last year sardine canners put up more than 581,000 cases and it is expected a comparable amount will be available again this year, although some will be exported.

Canada's fishing industry puts up canned mackerel, canned pollock and canned tuna, although not ordinarily in large quantities.

In canned shell fish, lobster probably ranks at the top of those likely to be available. Clams, oysters and crabs, as well as some canned avalone and scallops, should be available, although the latter products are never put up in large quantities.

The department points out that operations at different branches of the canning industry may be affected more or less by war conditions which cannot be foreseen at present. But there will still be quite a wide variety of canned fish and shell fish available from Canadian plants for consumers in this country.

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IN PRISON CAMPS, in enemy hospitals, in the dark hours of loneliness or suffering, men voice that cry.

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More than a million parcels have been sent up to now, to prisoners of war. YOUR money makes the work of the Red Cross possible. The need is great —and GROWING. You never have failed them—you will not fail them now. Open your heart and your purse strings—Give Generously.

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HERBERT BEGG,
Chief Agent for Canada.

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Notice is hereby given that Fire Association of Philadelphia has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-796, authorizing it to transact in Canada the business of Real Property Insurance and Weather Insurance, in addition to the classes for which it is already registered.

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War Death Claims Low To Date, Parker Shows

Up From Last Year, War Claims Account For Only 8.3% of Total — Canadian Companies Write More Business Despite Loss of Agents

Although war mortality has been held, to a relatively small part of total Canadian life insurance death claims so far, the rate has been rising steadily, according to figures quoted by J. G. Parker, general manager of the Imperial Life Assurance Co., at the annual seminar of Chartered Life Underwriters of New York city last week.

Reviewing the war experience of six Canadian companies, Mr. Parker stated that in 1940 war claims were 2.2% of total claims; in 1941, 6.2% and in the first quarter of 1942, 8.3%.

In Previous War

In World War I total army war deaths averaged 75.3 per 1,000 per year during service overseas, increasing from 52 per 1,000 in 1915 to 83 per 1,000 in 1917 the last complete year of the war. For the partial year 1918, the rate was 78 per 1,000.

Deaths per 1,000 ranged from 110.6 per 1,000 per year in the infantry down to 6.7 in the forestry battalions. Among the Canadians in France deaths per 1,000 were estimated at 147.7 per 1,000 per year. States Mr. Parker:

"With these statistics as a guide the companies issued a scale of extra premiums which could be paid in order to secure full coverage in the army or in the navy when outside the home areas. The extra for those in the military forces was fixed at $90 per $1,000, except for certain branches of the service or certain isolated cases where the risk was felt to be less than in the regular combatant forces. This extra has been kept constant since the outbreak of the war. The extra premium for those in the navy ranged at first from $40 to $50 per $1,000 but in the last eighteen months this has been increased to $90 per $1,000. The war creased to $90 per $1,000."

Cost of the extra war mortality experienced in the last war against all business in force at the beginning of the war, Mr. Parker estimated was at least $2.20 per $1,000. Taking the war and claims from the influenza epidemic together the net cost was estimated at $3.50 per $1,000 of insurance in force.

Same Types of Insurance

Mr. Parker indicated there was no great change in the type of insurance being bought, sales of endowment, life and term remaining in about the same proportion, as in previous years. He quoted figures showing considerable fluctuation in industrial insurance from $136.4 millions in 1938 to $90.6 millions in 1939 and $118.9 millions in 1940.

New ordinary insurance bought last year at $530 millions was 15% above the 1938 total while purchases in the first quarter of 1942 were 27% ahead of the same period last year.

White Collar Workers

Mr. Parker exploded the theory that increased taxation has made it more difficult to write the white collar worker and the large income earner by quoting statistics from his own company's experience. In five city branches in Toronto and Montreal in the first four months of 1942, 560 cases had been written for $2.5 millions of business.

Small Increase In Life Sales

Nfld. Has Highest Gain —Declines Occur in Three Provinces

Sales of ordinary life insurance in Canada and Newfoundland continue larger than last year. Total sales in April at $36.2 millions were 2.4% above Apr., 1941. Largest gain was 38.9% in Newfoundland.

Figures are supplied by the Life Insurance Sales Research Bureau, are based on returns from 18 companies having 85% of the total business in force.

The gain for April compares with 6.5% in March and is the smallest this year.

Sales in the United States showed a decline in April, the drop being described as a natural reaction after the sharp increase in sales immediately following the entry of that country into the war.

Life Insurance Sales in Canada and Newfoundland (000's of $)

	April 1942	April 1941	Chge. %
Alberta	1,918	1,522	+26.0
Br. Columbia	2,393	2,391	....
Manitoba	1,797	1,854	—3.1
New Brunswick	958	899	+6.3
Nova Scotia	1,830	1,537	+19.1
Ontario	16,680	15,949	+4.6
Pr. Ed. Island	150	231	—35.0
Quebec	9,070	9,930	—8.7
Saskatchewan	1,101	877	+25.5
Newfoundland	554	399	+38.9
	36,232	35,398	+2.4

Sales by Months, 1939-1942 (000's of $)

	1939	1940	1941	1942
Jan.	28,767	33,726	28,326	43,081
Feb.	29,202	31,820	31,500	39,357
Mar.	31,710	30,265	33,700	35,876
Apr.	26,357	32,248	35,398	36,232
May	30,123	31,779	36,172	....
June	32,226	28,530	33,670	....
July	20,902	28,159	32,681	....
Aug.	26,494	24,698	29,597	....
Sept.	34,262	26,156	33,975	....
Oct.	31,900	31,210	41,740	....
Nov.	33,034	32,899	44,984	....
Dec.	34,759	33,727	47,172	....
Total	368,726	365,217	428,915	....

Lady Clerks Vital to Banks

Emergency Brings Changes in Staff Training

By T. W. H. THOMPSON

One of the most serious war problems of the chartered banks has been the depletion of staff due to enlistments in the armed forces. Because most of the enlistments were among the younger men, it is in the rank and file personnel that the resulting disturbance has taken place rather than in the senior end of the payroll. While there has been no weakening in administrative quarters, there has been real dislocation in the operating section. Coming at a time when added duties and increased volume demand well-trained clerks, the banker has been put on his mettle.

Biggest aid in solving the problem has been the replacement of enlisted men by female clerks. The change has brought new methods of training and a new attitude toward young and inexperienced help.

Banking is highly complicated in the detail of routine. Efficient tellers, ledgerkeepers and clerks cannot be trained overnight. The routine mechanism of banking can be compared to the industrial plant assembly line. Every man or woman is a cog in the machine, and each must function smoothly or the machine breaks down.

Bottlenecks Easily Formed

Bottlenecks are easily formed if there is a weak link on this chain of workers. From the time the raw material starts to roll in over the counter until the finished article emerges in the form of a balanced cash book, a sealed mail and a carefully culled cash, there is no respite. And there are no layoffs in the bank for demothing, retooling or reorganization during which the hard pressed bank clerk can catch up. Once a bank has obtained a charter and opened its doors for business it can never close them. It matters not how late one finishes at night, the public will be at the door in the morning. The show must go on.

The actions of everyone in the bank, from junior to general manager are governed by complicated and prolix regulations of the Bills of Exchange Act, the Bank Act, to say nothing of the recent Foreign Exchange Control Order, any infringement of which may cause him considerable grief and even personal pecuniary loss. Because banking is a life study, the banks in normal times recruit youths just out of school who contemplate making banking their profession, girls being employed only as stenographers and machine operators.

The staff crisis which arose in the months following the declaration of war was an emergency which could only be met with drastic action. In this extremity the only thing to be done was employ women. A few who had bank experience were available for re-employment, but generally the only source of supply has been the high school. Young and inexperienced girls with no qualifications other than good health, neat appearance and average intelligence are the raw material from which juniors, ledgerkeepers and tellers must be made—and made quickly.

The old leisurely way of turning out juniors has been discarded. The practice of training juniors to be general managers has been given up and bankers now concentrate on making them good clerks. In prewar days, the junior was advanced in easy stages. Training the "new girl" is a different problem. She must be brought to a state of usefulness without delay to fill the vacancies which frequently and suddenly occur.

Traditions Cast Aside

Before grappling with this problem the banker first had to cast aside many of the conservative traditions which clung to him. The old leisurely training method was replaced by intensive training. The banker has to assume the role of school master—sometimes a difficult task for the traditionally closemouthed banker. He has had to acquire virtues so essential to the teaching profession—patience, tolerance, and understanding. He has to curb the irritation he feels over petty blunders and realize that a young school girl can not learn in a few weeks what it has taken him years to absorb.

One of the first traditions to go by the board is that it takes a future general manager to operate a ledger. It dawned on the banker early, under the stress of dire necessity, that posting a ledger is really a simple matter of addition and subtraction. Knowledge of the Bills of Exchange Act or expertness in spotting forgeries has little to do with the mechanics of ledgerkeeping. The tendency in prewar training was to teach "why" before "how." The urgency of the present situation makes it necessary to teach "how" before "why." The job must be done, and the new clerk must be shown how; she may be told why later.

Personal Coaching

The banker discovered personal coaching and sympathetic assistance accomplished much toward hastening the pupil to the point where she could at least post items accurately. He has tried to break down the reserve apt to prevail between the young entrant and the senior officer, and which was so manifest between the old time junior and his accountant or manager. Entrants were encouraged to ask questions, to feel at ease generally. Nervousness breeds inefficiency and is an obstacle to learning. The junior clerk who is reduced to a state of fright by an ill-tempered or disagreeable superior is not likely to advance rapidly.

Explanatory Brief

Managers have found it helpful to have each new girl read a specially prepared brief outlining in simple language the work of the office. In this brief the functions of each department are explained in a short paragraph or two, so a girl would know the meaning of expressions like "cash item," "collection department," or "inland exchange." It explains where cheques come from and where they go. It includes hints on office behavior and exhortations on the necessity of being close-mouthed about the bank's business.

The progress of these lady clerks has been very gratifying, and they are now found in all the banks as tellers, ledgerkeepers, and junior clerks; some in higher posts. It is not uncommon for girls to be found balancing a city-sized cashbook within a month of entering the bank, no small feat as any banker knows.

Girls of a few months experience are operating 300 to 400 current account ledgers, balancing them at regular semi-monthly intervals with little difficulty.

In normal times, ledgers such as these would not be entrusted to anyone with less than five or six years experience.

Everyone Helps

Differences, of course, do arise, and the matter of night work threatened to be a problem, especially in localities where hours of work regulations were in effect. But circumstances forced the banker to throw into the discard the notion that it was beneficial to the junior to hunt unaided for his differences—far into the night, if need be—while the teller, with contemptuous indifference, left the office at 4.15 o'clock. Today, differences when they arise, are the concern of all. Everyone helps, and they are quickly and relentlessly run to earth.

The women of Canada have performed miracles, and the lady bank clerk need take second place to none. Her work may not be spectacular, but it is vital. The banks and the general public indeed owe a debt of gratitude to the lady clerks. There was no shut down and little dislocation to banking. Thanks to the lady clerk, the assembly line has been kept moving.

Taxes and Estate Planning

Some Ways of Meeting Effect of Heavier Imposts

The three most important taxes that affect estate planning are succession duties, income and gift taxes, A. Roy Courtice, trust officer of the Toronto General Trusts Corp. told the Toronto chapter of the Chartered Life Underwriters recently.

Trust companies he stated take no interest in the illegal avoidance of taxes but do make a study as to how their application may properly be minimized in the particular circumstances of each case.

Under existing heavy and probably increasing income tax scales, Mr. Courtice indicated, a man with an income greater than he requires for current needs may be well advised to reduce his income by making gifts or trusts out of his capital or by purchasing non-income producing assets, including single premium life insurance. If his surplus income is being accumulated for his dependents, this can be provided by insurance purchased from capital which will at the same time cut down the real penalty brackets of his income tax. It was unfortunate, he stated, that the annual exemption of $1,200 on annuity income was revoked in 1940.

Revise Income Estimates

Increased income taxes, Mr. Courtice declared, make it necessary for the life underwriter to revise his estimates of the gross income required to maintain the welfare of the wife and children and other dependents of the client. In some cases, he indicated, there is need for further insurance for this purpose. Estate income, may also be increased by giving the trustees a broader range for investments. But, he urged, in any case where the income may be insufficient, the trustees should have power to encroach on the capital of the estate when necessary.

When a widow has a life interest in the income of an estate which is more than she requires for her needs, he assumed that she may either use this surplus income for the benefit of the children or she accumulates it to be passed on to them later. In such cases, in Mr. Courtice's opinion, it would be better for income tax purposes for the owner of the estate in his will to divide the income among them.

For example, he said, if the annual income from an estate is $10,000 and the widow receives it all, she pays income tax of $3,250. If instead, $5,000 a year were left to the widow and $2,500 to each of two children, total income tax on $10,000 would be $2,180 a saving of $1,050 a year. During the minority of the children, he proceeded, the will could provide that their income be used by the trustee for their benefit under the mother's direction, without disturbing the effect of this saving.

Income Provisions in Will

There are other ways in which savings can be made by the income provisions for the wife in a will. For example, if the wife is left a stated income of say $5,000 a year from the estate, even though it requires regular encroachments on the capital of the estate or if it were all paid regularly out of capital, the income tax act now provides this will all be taxed as income. If, however, said Mr. Courtice, the will leaves the annual income from the estate to the wife with power to the trustees to encroach on capital whenever necessary for the wife's benefit, only the income and none of the capital received by the wife is taxed as income.

Life Insurance Annuities

The same principle, Mr. Courtice contended, applies to life insurance annuities and in the use of settlement options. When regular payments based on a life contingency with or without a guaranteed term of years, are provided for, they will all be taxed as income even though each payment represents a large part of capital. But if the contract can be arranged in a manner that really creates two contracts, one for a stated amount for a term certain say 20 years, followed by a deferred annuity commencing at the end of the 20 years covering the balance of the life contingency, in the 20-year period, the interest element can be separated and only this is taxable as income. This will mean a substantial saving in income tax.

Succession Duties

Entry of the Dominion overnight into the succession duty field had caused much hardship to many estates because it doubled the obligations but gave no extension of time for meeting these payments which is within six months of the testator's death, said Mr. Courtice. For many he indicated, this came at a time when further insurance is either impossible or may be secured only at a very heavy premium. In most cases, it is more than twice as difficult within a period of six months to raise $100,000 as it is to raise $50,000. For some it may be a real calamity. An example of the latter given by Mr. Courtice was where an estate consists largely of a business interest which may have to be sacrificed. This new situation of double succession duties, requires a review of every will to see how the estate has been affected and what readjustments can and should be made to deal with it. In some cases he indicated charitable and other outside bequests may have to be sacrificed to protect principal beneficiaries. He suggested that if these bequests are still to be made they be expressed in percentages of the estate rather than in stated amounts so they will always bear a relative proportion to the present size of the estate.

Adjustments Possible

In cases where it is found an estate would have to be sacrificed because of insufficient liquid funds to pay the succession duties, Mr. Courtice discussed five estate adjustments that might be made: to add liquid assets; to substitute investments; to arrange for some beneficiaries to pay their share of the duty; to postpone payment on future interests and to reduce the estate by gifts or trusts.

1. Where purchase of life insurance is practicable, Mr. Courtice believed it to be the best possible solution. It might be advisable however he thought to have some policies payable to designated beneficiaries made payable to the estate instead thereby becoming available to the estate for payment of these duties.

Regarding the succession duties levied Mr. Courtice disgressed to criticize the present situation under which the Dominion taxes the succession duty payable in Ontario, and Ontario taxes the succession duty payable to the Dominion. He also questioned the practice of taxing life insurance provided to pay succession duties and which, when taken out for that purpose, raised the rate on the whole estate. This exemption he noted had been allowed in Ontario previous to 1937.

Substitute Investments

2. If additional insurance is not practicable it may be advisable to substitute investments. This the estate owner may hesitate to do but it may be better for him to face it over a period of years than to leave it to his executor to have to dispose of sufficient securities to raise the necessary cash within the limited period of six months.

Another point to be kept in mind here, Mr. Courtice emphasized, was the possibility that succession duties on certain securities might be levied in another province or state. In certain instances as between Quebec province and Ontario, he indicated, it was good practice for an Ontario owner to see that any securities he may have of a Quebec company are listed on an Ontario register and transferable in that province as Quebec's taxing powers have been defined as not applying under such circumstances.

3. Another method is to arrange for some of the beneficiaries to pay the duty on benefits passing to them. This is required by law, unless the testator provides otherwise in his will. Mr. Courtice noted it had been rather common practice to provide in the will that all succession duties be paid out of the estate. The effect of this he declared must now be carefully considered. Cases in which this might be done with advantage would include a business passing to a beneficiary or gifts made during lifetime, assets held in joint ownership, etc.

Postpone Payment

4. Regarding the fourth method of postponing payment on future interests where trusts are created by the will, Mr. Courtice took for example an estate left to be divided among children after the widow's life interest. Normally, the succession duties on the life and remainder interests may all be settled within six months of the owner's death. A considerable saving can be effected this way. But if there is difficulty in raising the necessary cash, consideration may have to be given to paying the duty on the wife's interest only, the duty on the children's interests being postponed till after the widow's death. The same saving could be made in insurance policies where beneficiaries are designated.

A Possible Case

Mr. Courtice cited the possible case of a wife named as beneficiary in a policy, who died shortly after her husband, perhaps following a common accident. The policy might be taxed for Ontario and Dominion duties when it passes to her estate and again taxed when it passes out of her estate though she may have had no benefit from it at all. This could be avoided by providing that if the wife did not survive her husband for a period of, say, 30 days the policy would pass to the children or the estate.

5. Regarding reduction of an estate during the owner's life time by outright gifts or trusts. Mr. Courtice stated that if the testator plans to make charitable bequests by will, he may consider doing this in his lifetime. These gifts are then duty free. Under the Dominion act, Mr. Courtice explained one half of every charitable bequest by will exceeding $1,000 is subject to tax. Under the Ontario act there was not much inducement to make gifts to wife or children because 20 years (in the case of a wife 30 years) is required to elapse before the gift is tax free. The Ontario act, Mr. Courtice described in this particular as out of line with nearly all other provinces and Great Britain where an interval of from only 2 to 5 years is required to exempt gifts.

The Dominion, he added, where a trust is established through a trustee will recognize this as a completed gift whereas Ontario does not.

Creation of Trusts

Accordingly Mr. Courtice stated there are now substantial savings that may be made through the creation of trusts for the wife and children. These are exempt from Dominion succession duties after three years and in Ontario for the wife and dependent children, they enjoy the same exemption as the settlement options of insurance policies up to $1,200 for one person and $2,400 a year in the aggregate. The Dominion, he stated, will also continue to treat a gift or trust for the wife as part of the husband's income but where it is made for the children, the father may be relieved of this tax where children are over 18 or when they attain that age where the gift or trust has been made before. The rate of gift tax has been increased, he added so that its range is now from 7% to 25% of the value of the gift subject to certain deductions. If the donor dies within three years and the gift tax had been paid the amount of gift tax will be applied as credit against the succession duty.

Settlement Options

Regarding settlement options in life insurance policies, Mr. Courtice made a plea for giving the trustee wide discretionary powers to meet changing conditions. Accordingly he suggested that settlement options be used in a reasonable proportion to the size and condition of the estate.

Note Circulation Troops Increasing

Note circulation of the Bank of Canada continues to climb gradually upward, an increase of $1.5 million being shown in the statement for the week ending May 13. The increase since a year ago is about $146 millions or almost 40%.

	May 13 1942 $	May 6 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	521,664,853	520,170,323
Rest fund	5,585,705	5,585,705
Deposit: Dom.	110,351,537	127,366,815
Banks	192,055,706	210,783,483
Other	12,566,453	15,129,825
Total deposits	314,973,696	353,280,123
All other liabs.	8,594,114	10,248,541
Total liabs.	855,818,368	894,284,692
Assets		
In Sterl. & U. S.	194,034,928	198,823,128
Subsid. coin	359,859	344,043
Investments:		
Dom. gov. sh.	424,754,619	423,731,326
Other Dom. gov.	221,099,294	224,547,666
Total invest.	645,853,913	648,278,992
Premises	1,803,329	1,801,536
All other assets	13,766,339	45,036,903
Total assets	855,818,368	894,284,692

Weekly Bank Clearings

	May 14 1942 $	Change Year Ago %	May 7 1942 $
Halifax	3,705,751	+16.8	4,774,181
Saint John	2,654,663	+14.0	2,934,043
Moncton	935,204	+15.4	1,055,264
Sherbrooke	1,167,724	+34.6	1,174,014
Quebec	3,917,121	—20.0	6,459,625
Montreal	99,215,118	—6.6	141,074,146
Ottawa	121,798,453	+30.0	213,358,497
Kingston	756,354	+10.3	871,807
Peterborough	798,486	+16.1	1,002,413
Toronto	121,692,316	+12.7	170,520,080
Hamilton	7,244,862	+11.0	8,323,131
St. Catharines	1,253,492	+0.4	1,485,818
Kitchener	1,401,898	+0.6	1,630,946
Brantford	1,213,414	+11.3	1,360,227
London	2,940,543	+19.6	3,378,711
Chatham	640,715	—6.4	770,811
Windsor	3,448,250	—40.8	3,892,006
Sarnia	497,515	+3.1	553,624
Sudbury	1,163,400	—0.5	1,129,958
Fort William	911,087	—8.1	1,267,414
Winnipeg	42,345,824	—21.0	71,488,248
Brandon	371,943	+5.1	532,953
Regina	3,901,007	—33.6	8,454,686
Moose Jaw	684,532	+7.0	843,224
Saskatoon	1,697,855	+17.6	1,893,499
Prince Albert	516,510	+22.6	534,764
Calgary	6,018,042	—1.7	6,723,445
Lethbridge	627,472	+4.4	807,223
Medicine Hat	295,586	+10.5	351,773
Edmonton	6,084,735	+18.1	6,492,294
N. W'minster	821,249	—0.8	1,016,323
Vancouver	21,048,654	+43.5	24,960,839
Victoria	1,805,232	+3.8	2,064,830

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Paper is Needed For Victory
Do not burn or destroy this copy. See that it goes to paper salvage.

Our Divided Army—Real 'Conscription' Issue

Army Morale and Training Handicapped By Having 30,000 "Immobilized" Troops

By KENNETH R. WILSON

Behind the conscription "crisis;" behind the swift-moving panorama of world war in 1942, there lies, for Canada, the grim, sombre fact that this country has an army divided against itself.

Actually, one-fifth of the Canadian forces in Canada are immobilized. This by reason of the fact that Canada has two kinds of soldiers—the "anywhere" soldier and the "stay-at-home" soldier.

Figures disclosed recently in the House by Land War Minister Ralston revealed that there are over 30,000 men in Canada's "stay-at-home" army personnel.

If they could be segregated into one separate army it would not be so embarrassing for Canada's army leaders.

As it is, almost every unit and division now in training or being mobilized in Canada, has both kinds of men.

It is like a chess game where only some of the men on one side of the board are free to move right across. It makes the training and building of an integrated, hard-hitting, fighting force a difficult and at times an almost impossible job.

Now that the plebiscite is over, the government is taking steps to remove this obstacle. But contrary to general belief, the obstacle of Canada's divided army will not be removed merely by wiping out Clause three of the National Resources Mobilization Act. This is the clause which prevents requiring persons to serve in the military, naval or air forces outside of Canada and in the territorial waters thereof." It is this clause which is to be removed by means of an amendment now before the House.

But the passage of this bill (the bill which caused the resignation of Hon. P. J. A. Cardin from the cabinet) will not affect the status of the 30,000 trainees already in training or in army units throughout Canada. It will probably not affect even new men called up under N.R.M.A. (National Resources Mobilization Act) once the amendment has been made law.

The reason for this is that the status and liability of Canada's "stay-at-home" army is governed by another act, the Reserve Army Special Regulations, 1941. One clause in these regulations covers "Liability for Training, Service and Duty."

It says that N.R.M.A. recruits must undergo training for four months or such other periods as the Minister of Defense may from time to time prescribe and that thereafter, so long as such recruits remain members of the Active Militia, they shall be liable to perform such training service or duty "only within Canada and the territorial waters thereof as the Minister of Defense may from time to time require."

This is one of the vital components of the background before which the Cabinet crisis took place recently.

The morale difficulties of a two-type army are self-evident. Men of the "anywhere" army have taunts for men of the "at home" army. Or some may have envy and a sense of hurt. The result in either case is bad.

And the two classes of soldiers are coming ever into closer contact.

Already, according to information, Colonel Ralston gave the House there are now attached to various units of Canada's "anywhere" army, 15,269 men who, because of the terms of their enlistment, cannot be ordered outside of Canada.

About 20% of the Sixth Division is made up of soldiers for home defense only.

The Seventh and Eighth Divisions, now organizing, Colonel Ralston said, would be made up very largely of home-defense-only soldiers.

Lt. Gen. McNaughton looks at a modern army as composed of a number of highly trained teams—like rugby or hockey teams. Each man highly skilled in a particular function; each man as vital in the efficient and victorious activities of that team as the leader at the apex of the pyramid; each man's life and soul devoted to that team.

On those principles Canada's new army has been built—as far as government policy would allow.

With that self-evident principle of efficiency and co-ordination as the foundation, it is also self-evident that splitting up these teams leads to difficult and at times dangerous complications.

Hence, the present handicap to training—as well as to morale — in having scattered throughout its ranks home-defense-only soldiers.

On paper, if the present enlistment totals were to continue, Canada would not lack for men.

We need a minimum of 8,000 to 10,000 men a month to create and reinforce our two corps army in England.

Temporarily, we are enlisting that many men. In the past nine months we have enlisted, on average, about 8,400 men per month. In addition, about a third of the men called up under NRMA have "gone active" at the rate of about 1,300 a month.

According to Colonel Ralston's own report to the House of Commons (Hansard, p. 2304) Canada will require a minimum of 5,000 men each month under NRMA. He said:

"Generally speaking, what we are planning for is to train 15,000 or more men a month—that is, 180,000 a year. That is, those who are general service men and those who are called under NRMA.

"I am making an absolute minimum of 5,000 a month under NRMA. There will always be enough to fill up the 15,000. But supposing there are 12,000 enlisted for general service in the month, I would still call the 5,000 under NRMA."

The accompanying chart indicates why the calling up of at least 5,000 men under NRMA will further complicate the make-up of Canada's dual-type army.

In short it is becoming increasingly difficult to segregate the "stay-at-homes." As they emerge from basic training centres they are diffused among army units which need reinforcement.

On page 2251, of Hansard, Colonel Ralston stated:

"Most of the battalions in the sixth and seventh divisions at the present time, and most of the artillery units as well, have both home defense personnel and general service personnel in the same units . . . from the practical point of view it was impossible to have these home defense personnel as they come out of training centres go to a separate unit."

Other important facts about Canada's army plans, programme and personnel as disclosed in the recent Commons debates may be summarized as follows:

PRESENT MILITARY STRENGTH

Overseas—

Army overseas (about)	135,000
Comprising—	
First, Second, Third Infantry Divisions.	
Fifth Armored Division.	
Army Tank Brigade.	
Home Defense—	
Active and available for overseas	40,000
Active (NRMA) troops ineligible for overseas	31,300
Reserve Army	80,000
Total	151,300

PLANNED FOR 1942-3

Army Overseas to Comprise—

3 Infantry Divisions,
2 Armored Divisions.
2 Army Tank Brigades.
1 Forestry Corps.
Plus ancillary and reinforcement troops.

Additional troops to go overseas—	
Reinforcement	75,000
New units and formations	25,000
	100,000
Total Army Overseas Planned	235,000
Planned Home Defense Forces 1942-3— Additional	80,000

This additional force to be made up of:

Sixth Division, whose formation as self-contained unit is now authorized. Three brigade groups of this division have been organized for some time. Now it will get divisional troops, engineers and ancillary units. About 20% of this division now made up of NRMA troops.

Seventh Division to be mobilized, said Mr. Ralston, "within a comparatively short time."

Eighth Division, to be mobilized, he said, "perhaps sooner" than expected.

Total 1942-3 Requirements—

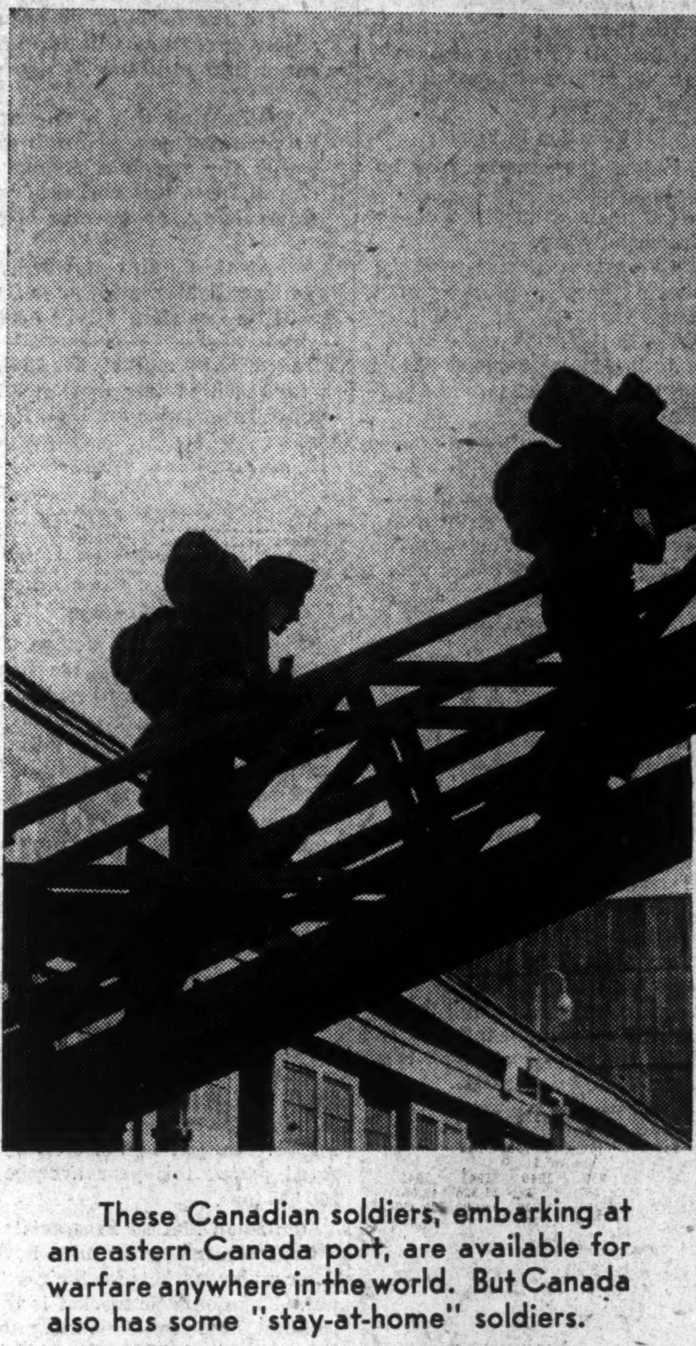
Total requirements for 1942-3 as shown in the foregoing figures are thus about 180,000 men (100,000 additional for overseas, 80,000 additional for home defense.)

Mr. Ralston, to meet these requirements, now has some 70,000 men in training:

Training in Canada voluntarily, hence available for overseas service	40,000
Training in Canada available for home defense only	31,300

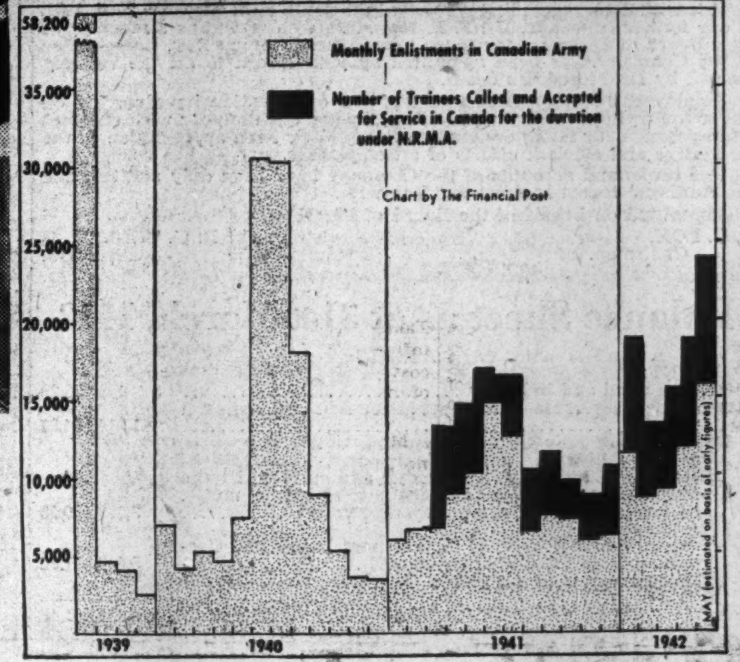
Of these, 15,300 are training with units of the Canadian Army; 16,000 in NRMA training camps.

Mr. Ralston's figures on men in training show that the "soldiers in process" are now sufficient for only four to five months output of fully trained men at the 1942-43 rate of 15,000 a month.



These Canadian soldiers, embarking at an eastern Canada port, are available for warfare anywhere in the world. But Canada also has some "stay-at-home" soldiers.

—Nicholas Morant Photo for Public Information.



Here Lt.-Gen. A. G. McNaughton makes his comments to a group of Canadian officers of the Quebec Regiment after training manoeuvres somewhere in England.

—Canadian Army Photo.

B. C. Setting the Pace in Frill Cutting

From Our Own Correspondent

VANCOUVER.—British Columbia is setting the pace for all Canada in cutting out the frills in business. Big cities and modest towns are well advanced in wartime economies.

"We don't deserve any praise for our foresight," remarked a Vancouver executive who pioneered the new programme. "It was just plain common sense, and anyone who didn't see the tide rolling in long ago was just foolish; that's all."

One delivery daily is now standard practice for retailers in British Columbia. Other departments of business, such as the wholesale trade, are making one delivery a week. Grocers and butchers are asking their customers to carry their own parcels. Druggists and electrical goods stores are working along the same line. Paper bags, wrapping paper, twine are being conserved.

The practice of giving premiums and holding "special sales" belongs to the past. Wholesaler to consumer selling is on the way out.

Possibly because Japan has brought war to their doorstep, British Columbians have already written up a notable achievement in voluntary frill cutting—in eliminating duplication of services, cutting out extra motion—releasing precious men and machines for war work.

Nearly every phase of Canadian business has done something to cut frills. In a striking series of articles, The Financial Post has reported what has been done in individual industrial fields.

The importance of the British Columbia frill cutting campaign is the extent to which it is purely voluntary—the extent to which it has been made possible by the enthusiastic and imaginative co-operation of groups of private citizens—the extent to which frill cutting has become a community rather than an industrial or official effort—the extent to which it has progressed.

The British Columbia example is one which Ottawa hopes will be followed throughout Canada. Ottawa hopes community frill cutting campaigns will sweep eastward across Canada like a prairie fire.

The important point is this: Frill cutting can be readily and effectively achieved where industries and trades have a well organized and comprehensive trade organization. Frill cutting can be imposed on others by a government order from a trade administrator which has all the force of a statute.

But Ottawa and the various trade administrators and the Division of Simplified Practice, which is responsible for ferretting out and organizing frill cutting—all want to issue as few orders as possible. All well recognize that vastly more can be saved by voluntary effort than by regulation; that frill cutting will be successful and nationally worthwhile only in the degree to which local effort and community zeal is put behind it

The Simplified Practice experts can give help; they can point the way to worthwhile savings. They can protect the community against the chiseller and the unco-operative. It is to this service officialdom would prefer to limit its intervention.

That's why the British Columbia effort stands out so sharply; why methods there have so much significance for the rest of Canada.

British Columbia's frill cutting has been promoted and managed by some 50 voluntary committees representing nearly every phase of community business life.

Leaders in this effort have been the British Columbia division of the Canadian Manufacturers Association, the Vancouver Board of Trade and the Retail Merchants Association.

And, according to W.P.T.B. officials, British Columbia has, to date, got further in its campaign than any other section of Canada.

Assured of the support of these bodies, the Wartime Prices and Trade Board has found enforcement of its restrictive measures a relatively simple matter.

Long before the Wartime Prices and Trade Board entered the picture one of Vancouver's largest bakery firms eliminated its house-to-house delivery, and department stores in Vancouver had reduced deliveries to one a day.

In most cases the industries involved have made their own working plan. Representative leaders have been called into consultation by the board, told to form their own committees and discuss a detailed programme of co-operation.

And always there was the necessity for speedy action. The Retail Merchants Association did most of the spade work for the Wartime Prices and Trade Board in its own sphere. The Manufacturers Association carried the message to the producing industries, and there were various transport groups to see that co-operation was achieved in distribution.

In the retail division three main objectives have been sought and largely realized: 1. Elimination of premiums; 2. Elimination of door-to-door peddling; 3. Elimination of wholesaler-to-consumer selling. Retailers have got behind these projects almost 100%.

Retailers have ceased to advertise goods already scarce or threatened with serious scarcity.

Here are some of the recommendations made to retail groups:

1. That wholesalers institute a unit system in their packing rooms, thus eliminating the necessity of putting up commodities in reasonable demand in various sized packages.

2. That deliveries from wholesale grocers be gradually reduced to one per week, although wholesalers handling perishable goods would be entitled to modification of that general policy.

3. That proprietor and employees conserve string and paper for wrapping; that tape be used where practical, and the public encouraged to use personal shopping bags and market baskets.

Nowadays, most stores ask their customers to accept delivery of milk in bottles without paper covering. Sale of unwrapped bread is being encouraged.

As a means of curtailing over-buying, the retailers have been advised by wholesalers that all charge accounts for food products be made due within 30 days of purchase, and that all premiums, whether redeemable by coupon or actually given at time of purchase, be discontinued.

In the meat trade, suppliers suggested that meat delivery to retailers be limited to a minimum of 25 pounds; that the deliveries from packing plants be reduced to three a week, providing that all items ordered are filled by the packers.

In the clothing trade, all special sales will be eliminated, if the code is fully carried out, the only exception being semi-annual clearance sales to last not more than 10 days. Elimination of all advertising of comparative prices is being urged.

The board is also asking for elimination of suit boxes, gift boxes and Christmas boxes, and retailers are being urged to request that customers carry their own small parcels. Anything to cut down on deliveries is encouraged.

The retailers have also asked the board to order complete elimination of credit and exclusive distribution of commodities to retailers by the manufacturers. Discontinuance of refunds, whether in form of deposits or for purchases made, is also requested.

Shoe dealers are planning to abolish all deliveries, as footwear can be carried by the purchaser. No refunds or exchanges on shoes where the customer has been fitted in the store will be allowed if the plan is finally approved.

In the furniture and electrical appliance field, it is suggested that all cities be zoned; that all merchants in their respective classifications be restricted to deliveries of one day weekly in each zone on the same day. The committee also recommended that free deliveries outside a 15-mile radius be discontinued.

Merchants in this trade are also asked to notify cartage companies in advance so that they can pool deliveries.

It is also suggested that the maximum warranty on refrigerators, ranges and water heaters be one year from date of sale, and on all other electrical appliances, including radios, be 90 days from date of sale. This would have to be in the form of a government regulation to all manufacturers, sanctioned by the board so that it would not conflict with the present policy of respecting no reduction in services or quality under the price ceiling.

In respect to installment buying of furniture, the trade committee urged increasing down payment regulations and that the minimum down payment be 25% with a minimum payment of $10 and a minimum monthly payment of $5.

Complete elimination of demonstration is also requested by the furniture field, with no trade-in allowance for furniture merchandise not resaleable. In this connection it suggested retailers unite to employ an appraiser who would value equitably all trade-ins for the protection of the customer as well as establishing a fair basis of trade.

British Columbia druggists have concentrated on a five-point programme: 1. Trying to educate the public to shop between 9 a.m. and 6 p.m. 2. Conservation of string and paper; 3. Curtailment of unnecessary delivery of orders placed by telephone; 4. Regional

(Continued on page 13)

Voluntary Efforts of Wide Variety of Businesses in B.C. Achieve Notable Record In Getting Business Into Battle-dress

Canadian Cottons, Limited

Annual Report for Year Ended March 31st, 1942

To the Shareholders:

Your Directors submit herewith the Balance Sheet of the Company as at 31st March, 1942, together with a Statement of Profit and Loss for the year which ended on that date.

Net manufacturing profits, after providing for income and excess profits taxes and for other customary charges, amount to $487,748.09, to which is added income from investments of $155,907.78, making a total net profit of $643,655.87. This has been appropriated as follows:—

Pension Fund	$ 50,000.00
6% Dividend on Preferred Stock	205,249.50
4% Dividend on Common Stock	108,620.00
2% Bonus on Common Stock	54,310.00
	418,179.50
Balance transferred to Surplus	225,476.37
	$643,655.87

A by-law was enacted at the Shareholders' Meeting on May 28th, 1941, authorizing your Directors from time to time to purchase preferred stock of the Company at a price not exceeding $120.00 per share. During the year 3,209 shares have been purchased in the open market at a premium of $59,404.00, which premium has been charged to the Surplus Account as shown. A by-law to reduce the capital accordingly is submitted for your approval.

Your Company's plants have been in full operation during the entire year and new peaks were established in production and in sales. Current demand for the products of the mills for both war and civilian uses is considerably in excess of the mills' ability to produce. The necessity of diverting a larger part of our production to war requirements during the year has resulted in a corresponding reduction in the flow of goods to regular trade channels, and secondary manufacturers who are dependent on these goods as their raw material, must curtail operations accordingly. While everything possible is being done to cope with this situation, serious difficulty is now being experienced in maintaining even a normal volume of production, owing to an acute shortage of labour. As far as is practicable, the policy of employing women to fill positions vacated by men has been adopted. There are, however, many classes of work—some of a highly mechanical nature and much heavy work—in which the employment of males is essential. The difficulty of effecting normal machinery replacements owing to the necessity of giving priority to the production of war munitions, is also an important factor in maintaining production.

The outstanding event of the year from the viewpoint of a major adjustment to changing conditions, was the introduction of price "ceilings" by the Wartime Prices and Trade Board in order that retail selling prices on cotton fabrics and on garments and many other products made therefrom, as established during the basic period (September 15th to October 11th, 1941) might be maintained. The cotton mills were required by the Board to revert to selling prices that were in effect at February 1st, 1941. In the case of your Company this, in reality, restored prices which were established in November of 1940. In view of the sharp rise which meanwhile had taken place in raw cotton prices (over which Canada has no control), as well as material increases in wages and in the costs of nearly all essential materials, your Company is now selling its products to the trade at lower than current replacement costs. The necessity, therefore, arises of adjusting the cost of raw cotton to the mills and negotiations are now being carried on with the Commodity Prices Stabilization Corporation Limited with this in vew.

It is with deep regret that we record the death on September 23rd, 1941, of our former colleague, Dr. F. E. Meredith, who served as a member of your Board of Directors for seven years. Mr. J. Irving Roy, Comptroller of the Company, has been appointed by your Board to fill the vacancy created by Dr. Meredith's death.

Employees in every department of our organization have carried on under the trying conditions prevailing throughout the year with cheerful enthusiasm. Your Directors wish to record their keen appreciation of the responsive and efficient efforts of all employees.

The books and accounts of the Company have been duly audited, and the Auditors' report is submitted herewith.

Submitted on behalf of the Board of Directors.

E. C. FOX, Chairman.
R. G. TOLMIE, President.

Balance Sheet as at 31st March, 1942

ASSETS

CURRENT:		
Cash on hand and in Banks		$ 452,305.23
Accounts Receivable—less Reserve for Bad and Doubtful Accounts		1,314,104.33
Inventories of Raw Cotton (including Cotton purchased but not delivered), Goods in Process, Manufactured Stock and Supplies as determined and certified by the management and valued in each case at cost or under, and not in excess of present market values		3,152,415.99
Investments— Dominion and Provincial Government Bonds and Corporation Bonds and Shares—at cost (Market value as at 31st March, 1942—$5,424,500.00)		5,433,531.92
TOTAL CURRENT ASSETS		10,352,357.47
SHARES IN SUBSIDIARY COMPANIES		3.00
DEFERRED CHARGES TO OPERATIONS		81,200.00
CAPITAL ASSETS:		
Mills, Plants and Properties—at cost—		
Balance as at 1st April, 1941	$18,337,865.84	
Additions during year	272,955.87	
		18,610,821.71
		$29,044,382.18

NOTE:—In computing the amount set aside for Dominion taxes, consideration has been given to the provisions of the Excess Profits Tax Act, allowing Reserves against future depreciation in inventory values.

Montreal, 29th April, 1942.

Audited and verified as per Certificate attached.

RITCHIE, BROWN & CO., Chartered Accountants.

LIABILITIES

CURRENT:			
Accounts and Bills Payable			$ 417,907.50
Cotton Acceptances			423,910.00
Due to Subsidiary Company			168,575.95
Contribution to Pension Fund			50,000.00
Reserve for Dominion Income and Excess Profits Taxes			2,221,950.04
TOTAL CURRENT LIABILITIES			3,282,343.49
CONTINGENT RESERVE			402,437.50
DEPRECIATION RESERVE			17,066,640.60
CAPITAL STOCK:			
Authorized—			
Preferred—6% Non-Cumulative 45,000 shares Par Value $100.00 each		$4,500,000.00	
Common— 35,000 shares Par Value $100.00 each		3,500,000.00	
		$8,000,000.00	
Issued and fully paid—			
Preferred— 36,615 shares at $100.00 each	$3,661.500.00		
Less: 3,209 shares purchased for cancellation	320,900.00		
		3,340,600.00	
Common— 27,155 shares at $100.00 each		2,715,500.00	
			6,056,100.00
EARNED SURPLUS:			
Balance per Statement attached			2,236,860.59
			$29,044,382.18

Signed on behalf of the Board:
R. G. TOLMIE, Director.
W. V. BOYD, Director.

Profit and Loss Account for the Year Ended 31st March, 1942

Operating Profit for year after providing for items A, B, C, D, E, as below noted		$487,748.09
Deduct: Contribution to Pension Fund		50,000.00
		437,748.09
Add: Income from Investments		155,907.78
NET INCOME FOR YEAR		593,655.87
Deduct:		
Dividends—Preferred 6%	$205,249.50	
Common—Ordinary 4%	108,620.00	
Bonus 2%	54,310.00	
		368,179.50
SURPLUS FOR YEAR		$225,476.37
A. Depreciation	$ 606,413.76	
B. Executive Salaries	49,540.00	
C. Directors' Fees	7,925.00	
D. Provision for Taxes	2,100,000.00	
E. Legal Fees	1,489.18	

Earned Surplus Account

Earned Surplus as at 31st March, 1941	$2,070,788.22
Add: Surplus for year as above	225,476.37
	2,296,264.59
Less: Premium on Shares Cancelled—Preferred 6%	59,404.00
BALANCE AS AT 31st MARCH, 1942	$2,236,860.59

TO THE SHAREHOLDERS,
CANADIAN COTTONS, LIMITED.

We have examined the books and accounts of Canadian Cottons, Limited, for the year ended 31st March, 1942. We have verified the Cash in Banks and the Investment Securities and the Revenue therefrom.

We have obtained all the information and explanations required, and in our opinion the attached Balance Sheet and Profit and Loss Account, based upon certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at 31st March, 1942, and for the year ended that date, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RITCHIE, BROWN & CO., Chartered Accountants.

Montreal, 29th April, 1942.

Predict 400,000-ton Drop Ahead For Newsprint Sales

By JOHN LANGDON

A drop of 400,000 tons or more in production of Canadian newsprint paper is now foreseen for 1942. While the indicated output for the year of some 3 million tons is above average, compared with returns for 1941, the situation would presage a relatively sharp falling off in earning power of the operators.

* * *

Like any other business, costs of manufacturing, selling and distribution have increased sharply for the newsprint manufacturers. Prospects of offsetting higher costs by an increase in selling price do not appear promising, and costs will mount as production falls.

* * *

On the basis of revenue from newsprint sales, Canadian operators will likely experience a contraction of some $20 millions in gross revenues.

* * *

Offsetting this is the utilization of spare equipment to manufacture groundwood and unbleached sulphite pulps for which a strong market exists. Revenue received from this and other sources should go far toward minimizing the adverse effects of lower newsprint sales.

* * *

At this point it would appear that while revenues will probably be lower in 1942 than in 1941, the decline will be less than might be expected.

MONTREAL. — Newsprint production in Canada this year will probably approximate 3 million tons, a decline of 400,000 or thereabouts from last year's figure.

Figures on newsprint production last month, as released by the Newsprint Service Bureau and the Newsprint Association of Canada, revealed a relatively sharp downward movement in trend of output, as had been anticipated for the previous six weeks or so.

With the returns now available, it is possible to arrive at a fairly accurate picture of newsprint demand this year.

Situation in Brief

Briefly the situation may be summarized:

Canadian demands will be fractionally less.

Overseas demands will be down sharply, probably not more than 40% of what they were in 1941.

United States demands will be off at least 150,000 tons and possibly more.

While an over-all drop of some 400,000 tons in itself is not a major calamity—a production of 3 million tons is well above the annual average—the effect on operations during the balance of the year is likely to be quite marked.

Sharp Drop Seen

Shipments in the first three months were up to the high level set in the past year and have been in excess of actual requirements.

As closely as can be judged at this time, Canadian newsprint shipments for the last nine months of 1942 are expected to average 63% of rated industry capacity. During the first three months the shipment ratio was 78½%.

The anticipated average of 63% is for the industry as a whole. Prorated mills, representing the majority of units in the industry, will make returns on an even lower basis—likely under 60%.

Deliveries by markets for 1942, as estimated at this stage, with comparative figures for 1941, follow:

Sales of Canadian Newsprint (In tons)

To:	1942 Estimated	1941 Actual
Canada	185,000	196,766
Overseas	200,000	487,897
U. S. A.	2,650,000	2,770,002
Total	3,035,000	3,454,665

Pull Down Average

This is the over-all picture.

Operating results for the first four months also must be considered as they have a very definite bearing on the scale of operations for the remaining eight months.

Tonnage required by the different markets in the next eight months to meet their prospective full year's requirements is shown in the table below:

Canadian Newsprint Marketings—1942

Shipped to:	Estimated for year	Ship. to Apr. 30	Balance
Canada	185,000	68,697	116,303
Overseas	200,000	73,580	126,420
U. S. A.	2,650,000	960,854	1,689,146
Total	3,035,000	1,103,131	1,931,869

This means an average monthly mill production over the next eight months of approximately 241,500 tons in order to meet indicated demands. Output in the January-April period this year averaged 290,895 tons.

Canadian Market Prospects

Canadian newsprint mills have three major markets for their output. The domestic market is the smallest. Last year Canadian publishers took 196,766 tons. This year they are expected to take 185,000 tons.

The somewhat smaller demand is not necessarily indicative of smaller consumption. It reflects, in part, a small amount of accumulation of stocks on the part of a few publishers.

Overseas Trade Hit

The overseas market has been hard hit. Rationing of paper, exchange difficulties and lack of shipping space have combined to curtail purchases by buyers in the British Empire, South America, the Far East and elsewhere.

To the end of April this year overseas trade amounted to only 73,580 tons, the smallest tonnage reported for that period in many years and a drop from 155,353 tons for 1941. Certain peacetime markets have bought little or no paper this year.

Overseas shipments this year are not expected to exceed 200,000 tons. Last year this market took 487,897 tons of Canadian newsprint.

In the biggest market of all—the United States—the trend of consumption is downward.

During January apparent consumption of newsprint paper in the U. S. registered an increase of 0.9% over the same month last year.

February recorded a decline of 1.5%. March was off 2.9%. April recorded the sharpest decline of all—7.0%.

Revise Estimated Decline

At the beginning of the year the general opinion was that American consumption of newsprint would probably decline by some 3% from the 1941 total.

This figure has had to be revised, because of the sharper drop in advertising linage and because of the accumulation of excess paper stocks by the publishers.

U. S. Market Summary

U. S. newsprint market summary for the first four months of this year follows:

United States Newsprint Supply
Four Months Ended April, 1942
(Expressed in tons)

From:	Receipts
Canada	960,854
Newfoundland	67,967
United States	317,517
Total	1,346,338
Distribution	
Apparent consumption	1,250,424
Added to stocks	95,914
Total	1,346,338

Accumulate Supply

It will be noted that for the four month period the U. S. publishers and others apparently accumulated 95,914 tons more than was consumed.

Ordinarily the American publishing trade holds 35 to 36 days supply of paper. Because of war conditions, prospective transport difficulties, etc., it is natural for publishers to increase their "normal" reserves of paper.

100,000 Tons Excess

At the close of last month publishers reporting to the American Newspaper Publishers Association had on hand 54 days' supply. At the end of April 1941 and 1940, reserve amounted to only 35 days. The present supply is well above the average held throughout 1941, and American publishers have at least 100,000 tons of paper above what might be called a "wartime" reserve.

It is possible the publishers may maintain stocks at this level, but it costs money to carry newsprint beyond a certain period. If a price increase were anticipated, it would be sound policy to accumulate. But prospects of a price increase are not promising, and it is expected—in fact, manufacturers are taking it for granted—that American publishers will work off surplus stocks between now and the end of the year.

Advertising Off

The second point influencing American demand has to do with advertising and circulation. Circulation holds high but advertising is off. Normally this means an automatic contraction in consumption of paper.

Net result is an anticipated drop of at least 100,000 tons in shipments to the U. S.

Add to this the expected drop in overseas tonnage and the minor decline in Canadian consumption and the apparent decline in demand for Canadian newsprint paper this year reaches approximately 400,000 tons.

Prospects for Earnings

Obviously a decline of 400,000 tons will result in lower earnings for the operators. A drop of that size cannot be offset by economies, it cannot help but be reflected in both gross and net earnings.

In other years this would be a serious matter for the industry. It is still a matter of concern, but the situation is not as bad as the figures imply.

There has been a gradual broadening, because of wartime conditions, in the utilization of newsprint in place of roto paper and also as a substitute for articles formerly made of kraft or other higher grades of paper.

Turning to Pulp

More important is the fact that the newsprint companies are turning their idle capacity to the production of pulps for which a strong market exists.

Already this year Canadian newsprint operators have produced a relatively large quantity of unbleached sulphite and groundwood pulps for export to the United States and Britain. This is spot business and, on the whole, a very good price has been realized.

Groundwood now sells in the United States at $46 a ton delivered; unbleached sulphite commands a substantially better price.

While it is not anticipated the increased production of pulps will offset the loss in dollar income resulting from smaller sale of newsprint, on balance the financial position of the Canadian newsprint operators for 1942 should not be nearly as bad as the drop of 400,000 tons in sales of newsprint paper would indicate.

ADVERTISING HEAD

William C. Stannard has been reelected president of the Advertising and Sales Executive Club of Montreal for a second term. Mr. Stannard is account executive of J. Walter Thompson Co.

Paper Supplies Exceed Demand

International Paper Head Says Demand Slackening Off

From Our Own Correspondent

MONTREAL.—Paper supplies at present are in excess of demand and indications are the demand for the balance of the year will not be as great as it was in 1941, according to R. J. Cullen, president of International Paper Co.

While the paper supply situation varied from grade to grade among the hundreds of products made by the industry, Mr. Cullen said his observation held good for the industry as a whole and especially for newsprint.

International Paper's net profit for the first quarter of the current year was estimated by Mr. Cullen at $2,469,985, based on taxes proposed by the U.S. Secretary of the Treasury. This compared with $3,546,822 in the like period last year.

Should the higher corporation tax rates proposed by the House Committee become law, Mr. Cullen said first quarter earnings this year would have been reduced by an additional $500,000.

Concerning a dividend payment on the common stock, the president said:

"It took practically all of our 1941 earnings to clear up the back dividends on the preferred stock and put the common stock in a position to receive dividends if justified by 1942 earnings. It is apparent that until we know definitely what the tax rates for 1942 are going to be, no action can properly be taken in the matter of common dividends."

U. S. Publishers Build Up Newsprint Stocks

Publishers reporting to the American Newspaper Publishers Association had 54 days supply of newsprint paper on hand at the end of April. This contrasted with 51 days supply at the end of March and with 35 days supply at the end of April, 1941.

The 422 newspapers reporting had 428,227 tons in stock, largest quantity reported in some years.

Newsprint Stocks Exceed Average

Apparent total North American newsprint stocks at the end of April amounted to 904,869 tons. This is the largest total reported for any month in the last four years and is within striking distance of the all-time record established toward the end of 1937. A year ago aggressive stocks amounted to 672,640 tons.

Stocks of paper on hand at the end of last month were divided as follows: publishers, 617,422 tons and manufacturers, 287,447 tons.

U. S. Paperboard Up 8.9% in March

Production of paperboard in the United States amounted to 577,942 tons last March, according to the U. S. Department of Commerce. This was an increase of 8.9% over that produced in February and 19% over the returns for March, 1941.

The March, 1942, production was 98.6% of the rated capacity of the 109 concerns reporting.

New orders received during the month expanded slightly, whereas unfilled orders at the end of the month dropped 40,266 tons from those reported for February, 1942.

U. S. Publishers Use Less Paper

Drop of 7% in April Largest Monthly Decline in Long Time

Apparent consumption of newsprint paper in the United States during April totalled 318,063 tons. This was 23,923 tons or 7% lower than in April last year, compared with a corresponding decrease of 2.9% in March, according to the Newsprint Association of Canada.

For the first four months of the current year apparent consumption of newsprint in the United States totalled 1,250,424 tons. This contrasted with 1,285,772 tons in the like period of 1941, a decrease of 2.8%.

Shipments of newsprint from Canada during the first four months represented 71% of total United States supply compared with 67% in the same period of 1941.

Shipments from the United States mills represented 24% of the total compared with 28% a year ago, while the share supplied by Newfoundland remained unchanged at 5%.

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RATES Single $2.50 to $3.50 NO HIGHER

B. C. Salmon Fishermen Discuss New Contracts

From Our Own Correspondent

VANCOUVER.—Negotiations between the British Columbia salmon canners and the fishermen regarding the prices to be paid for the 1942 pack have already begun and indications are that the schedule will be about the same as last year, with slight revision to cover the increased cost of living.

During the next few days both interests are expected to spend most of the time bargaining for position. It is believed that the fishermen will attempt to promote their proposal for a "joint production board" some time during the negotiations.

The United Fishermen's Union suggested some time ago that under war conditions all interests affected by the salmon industry should pool their strength. As a part of this programme the fishermen should be given a much greater voice than hitherto in the actual marketing of the pack.

So far, the packers have shown little sympathy for this proposal pointing out that its effect would seriously jeopardize the economic position not only of the canning companies but the fishermen themselves. The packers emphasize that the company officials are responsible solely to their chief executives and shareholders and that to introduce another party would create interminable confusion.

The fishermen have continued to press for a joint production board on which the government would be represented as well as the canners and the fishermen. The secretary of the union, William T. Burgess, recently went to Ottawa to further the scheme and reported that he found the Dominion government conditionally in favor of some such form of co-operation.

General expectation is that the marketing of the pack this year will be along the same lines as in 1941, although Ottawa will probably be a bigger factor than in the past since all canned salmon has been contracted for by the United Kingdom through the Dominion government.

For the first time in history, no canned salmon in British Columbia will be available this year for the domestic market. For the first time in a good many years, too, the industry will be without Japanese fishermen.

One of the first steps taken by the Canadian government as a protective measure followed the outbreak of war with Japan was to "freeze" all Japanese fishing vessels, numbering more than 1,000. The Japanese fishermen were interned, sent to various concentration camps or to construction and farming projects in the interior. More than 700 of the boats have been disposed of to white or Indian fishermen and a few of the larger ones have been commandeered for the use of the Canadian Navy.

There is little doubt that even with the reduced fleet the fishing operations off the coast of British Columbia will maintain the usual standards. If the government has reason to doubt that the quota of fish caught is likely to show a sharp reduction, it may relax the regulations to provide for more intensive operations.

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Can. Investment Fund

Would you let me have a report on Canadian Investment Fund, in which I hold a few shares of stock.

Canadian Investment Fund is an investment trust of the management type which to date has had a comparatively good record. Funds are invested in a selected list of Canadian and American securities. Revenues have been maintained and dividends paid regularly.

Massey-Harris

I haven't noticed Massey-Harris old common quoted on the Toronto Stock Exchange recently. Is that due to market lethargy or should holders exchange these shares for the new?

The old common and preferred shares of Massey-Harris Co. were removed from trading on Toronto and Montreal stock exchanges some time ago and the new shares are listed in their place.

The new securities, under terms of the capital reorganization whereby holders of old common shares get one new common for each two old shares held, have been ready for delivery since early last month. Holders of the old common shares should send their stock to the National Trust Co., Toronto, for exchange. The required forms which must be completed can be obtained from this company.

As the reorganization plan has been given final approval by courts and is now in effect, it seems better for shareholders to complete the exchange as soon as possible.

C.P.R.

As a subscriber of The Financial Post I would appreciate a report on the common stock of the Canadian Pacific Railways.

C.P.R. common stock can hardly be regarded as in the investment class. While earnings of the company have improved substantially since the commencement of the war, there is no indication of a resumption of dividends. However, we would point out the position of the company has undergone an improvement and with the additional earnings the management is taking care of maturities out of cash instead of refunding and is building up a reserve to take care of after-war adjustments, all of which tends to strengthen the position of the ordinary shares.

International Pete.

What is new in International Petroleum? I hear that operating conditions for this company have improved materially.

International Petroleum Co., a subsidiary of Imperial Oil, is at present quite highly regarded as a semi-speculative type of investment.

International Petroleum produces crude oil and operates refineries in Peru and Colombia. In addition it has an agreement whereby it secures substantial crude oil production from Venezuela. Output last year was higher than in 1940. Although the annual report for 1941 has not yet been published, it is expected that when it is available it will show earnings well above 1940's 94 cents a share earned. Estimates have ranged as high as $1.30 a share.

Chief factors in improved operations appear to be increased output and higher prices obtained for crude oil which more than offsets any increased cost likely to be experienced. The current German submarine campaign is directed primarily against oil tankers and is probably interrupting shipments from South America.

Total reserves at the end of 1941 were higher than the year previously. The company has reduced its rate of dividend payments to $1 a share at which level earnings should permit maintenance of payments.

Dosco

I purchased some shares of Dominion Steel & Coal Corp. as a speculation and would like to have your views on this security.

Dominion Steel & Coal Corp. Class "B" stock is generally classed as a speculative issue. In the last four or five years considerable progress has been made in strengthening the position of the company. Properties have been integrated, and put on a more efficient basis.

Since outbreak of war the capacity of several units has been greatly increased to take care of wartime demands, while working capital has been substantially increased.

Both from an operating and revenue point of view the position of Dosco today is better than it has ever been. Earnings last year totalled $1.12 a share. Though finances improved, there is yet no indication of dividend payments.

Can. Gen. Investments

A brief outline of Canadian General Investments would be appreciated. What is the outlook for higher earnings for this company?

Canadian General Investments is a management-type investment trust which has been able to achieve a stable earning power in recent years. Last year it earned 68 cents a share on the common stock, practically unchanged from 1940 and up slightly from 1939.

Dividends have been paid at 50 cents a share for the past few years. Market price for this stock is determined by two main factors. The investment trust earning power and dividend rate is one, the other is the net equity per share represented by the market value of the company's security holdings. The latter is determined directly by price trend in securities and in recent months has not been particularly favorable. This trust, however, was able to maintain its equity per share at $12.22 a share as at the end of 1941, only moderately below the $12.63 a share reported a year earlier.

Outlook for higher market value of securities held in portfolio depends on moves in the stock market and it is exceedingly difficult under wartime conditions to make any predictions. As for higher earnings for this investment trust, it may be somewhat difficult for them to do much more than maintain earnings at recent levels due to the effect of wartime taxes and general restrictions on industry.

Can. Steamships

What is the current position of Canada Steamship Lines common stock?

Canada Steamship Lines' common stock must be classed as a speculation. Under the re-organization plan carried out just before the war, debt charges were materially reduced. Since the start of the war the volume of business has taxed facilities. Revenues have increased substantially and in 1941 earnings on the common stock amounted to $3.26 a share. This contrasted with $1.28 a share the year before.

Working capital in 1941 at $3.3 millions was the highest reported in many years. Prospects for the current year are that there will be a little improvement in shipping revenues since the fleet operated at capacity in 1941 and rates are now fixed.

A considerable improvement may be expected from operations of subsidiaries, especially Davie Shipbuilding. According to W. H. Coverdale, president, results for 1942 should be at least equal to, and possibility better than 1941, when a new high record for the company was set.

Company Reports

Winnipeg Electric

Winnipeg Electric Co's consolidated statement for 1941 shows gross operating income of more than $8.2 millions, as against $7.3 millions the year before. Higher reserves for depreciation and taxes, reduced net income available on the "B" bonds to $402,727, compared with $363,895 the year before.

Net working capital at the end of the year showed a moderate reduction. On the other hand, the liquid position of the company showed marked improvement, due to heavy investments in Dominion of Canada War Loan and Victory Bonds.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross oper. income	8,242,984	7,303,236
Less: Oper. exps.	3,948,896	3,601,930
Operating profit	4,294,088	3,701,306
Add: Other income	90,017	44,351
Total earnings	4,384,105	3,745,657
Less: Depreciation	1,986,457	1,565,468
Interest	1,218,545	1,220,330
Income & E. P. taxes	140,000	......
Other interest	36,566	38,414
Taxes	576,918	537,678
Debt discount	15,586	15,236
Other charges	7,306	4,636
Surplus for year	402,727	*363,895
Add: Prev. surplus	709,674	†585,778
Earned surplus for'd.†	1,112,401	949,673

*Before income tax. †Before interest on B bonds.

Working Capital

	$	$
Current assets	3,202,294	3,408,392
Current liabilities	1,249,605	1,012,548
Working capital	1,952,689	2,395,844

Balance Sheet Changes

	$	$
Cash	796,811	1,181,350
Investments	2,003,433	114,348
Call loans	650,000	650,000
Accounts receivable	931,458	841,340
Funded debt	36,843,752	36,945,752
Fixed assets	74,617,537	74,545,764

Can. Indust. Alcohol

Canadian Industrial Alcohol's interim statement for the six months ended Feb. 28 last shows substantially better earnings after sharply higher taxes. Net profit for the half year at $264,673 was equal to 23.8 cents a share, as against $179,488 or 16.1 cents a share in the same period of the previous year.

Results for the half year reflect the gains made in the quarter ended Feb. 28, 1942, when net profits of $116,450 or 10.5 cents a share were shown. This contrasts with $79,383, or 7.1 cents a share, for the like period of the previous years.

Income Account
Half-Year Ended Feb. 28

	1942 $	1941 $
Operating profit*	602,768	442,354
Add: Misc. income	31,154	10,125
Total income	633,922	452,479
Less: Dir. fees, officers' sals., legal exp.	19,443	18,522
Bank interest	211	6,265
Depreciation	82,722	79,431
Tax provision	266,873	168,773
Net profit	264,673	179,488
Per share	$0.24	$0.16

*After deducting selling and administration expenses.

Ottawa Light

Ottawa Light, Heat & Power Co. reports gross income for 1941 much the same as for 1940, but because of higher provision for depreciation, net income available on the common stock amounted to 48 cents a share, against 65½c a share the year before.

Balance sheet shows an improvement in working capital which now stands at $382,622 against $257,658 the year before. Capital expenditures amounted to $122,844. A further sum of $250,000 has been contracted for electrical equipment as part of estimated additions to plant of $317,000 in 1942. This is largely to provide for new sub-station facilities, work on which has been started.

Income and Surplus Statement
Years Ended Dec. 31

	1941 $	1940 $
Operat. profit	1,012,510	1,011,767
Less: Exec. salaries	22,393	22,780
Legal fees	339	253
Directors' fees	1,675	3,240
Gross income	988,103	985,494
Add: Other income	1,564	875
Total income	989,667	986,369
Less: Depreciation	395,378	347,727
Munic. & prov. tax.	152,802	160,487
Bond interest	179,568	186,647
Premium on bonds	848	2,210
Income tax prov.	111,456	112,565
Net profit	149,615	176,733
Less: Pref. divds.	85,000	85,000
Com. divds.	83,964	140,000
Deficit	19,349	48,267
Add: Prev. surplus*	496,691	536,610
Surplus forward	477,342	488,343
Earned per share:		
Preferred	$8.80	$10.40
Paid	5.00	5.00
Common	0.46	0.65½
Paid	0.80	1.00
Working capital	382,622	257,658

*After adjustments.

Economic Investment

Economic Investment Trust Ltd. reports net profits for the year ended March 31, 1942, of $2.16 a share on its 39,925 common shares compared with $2.24 the previous year. Income from investments is practically unchanged but higher tax provision reduced the net.

Investments at book value, less investment reserve, are shown at $2.9 millions and market value $2.3 millions at March 31 this year. Corresponding figures for a year ago are $2.8 millions and $2.4 millions respectively. The trust shows a demond loan of $100,000 this year, first time such an item has appeared on the balance sheet.

The portfolio is placed 78.94% in Canada and 20.52% in the United States, only slightly changed from the previous year. Breakdown shows bonds and debentures making up a substantially larger percentage of the total than in recent years. Changes are illustrated by the following tabulation.

Summary of Investments
(On Basis of Market Value)
As at March 31

Type of Security:	1942 %	1941 %	1940 %	1939 %
Bonds & debs.	14.75	7.56	6.63	4.25
Pref. shs. & stks.	34.73	35.64	33.71	30.98
Ord. & com. shs.	50.52	56.80	59.66	64.77
	100.00	100.00	100.00	100.00
Nature of Undertaking:				
Cash	0.44	0.42	0.22	....
Govt. & munic.	8.82	0.99	1.08	0.31
Banks, financial	6.61	5.49	6.87	9.29
Public utilities	8.87	10.32	11.10	11.33
Rlys. & stmshps.	2.16	5.81	1.92	1.09
Pulp & paper	10.32	9.69	9.30	6.39
Manufacturing	18.66	20.03	17.72	13.30
Steel	1.94	2.28	1.98	1.02
Elec. & rly. equip.	1.82	1.95	2.06	1.83
Trading	5.70	2.25	5.45	6.74
Engineering	4.15	4.59	5.82	4.65
Mines	7.23	10.61	10.00	12.62
Milling	0.90	0.90	1.15	1.26
Oil	5.96	6.58	6.43	7.78
Foodstuffs, beverages	6.11	8.06	8.67	12.70
Textiles	6.36	6.94	6.62	5.49
Autos. & access.	2.45	2.26	2.10	1.90
Miscellaneous	1.51	0.83	1.51	1.65
	100.00	100.00	100.00	100.00

Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Investment income	165,901	165,833
Less: Rent, salaries, etc.	9,002	9,349
Directors' fees	4,667	4,548
Fees paid	1,592	1,708
Interest & exchange	871	1,037
Income & E. P. taxes	13,726	9,818
Bond interest	50,000	50,000
Net profit	86,242	89,373
Less: Common divds.	79,851	79,851
Surplus for year	6,391	9,522
Add: Prev. surplus	93,984	84,462
Surplus forward	100,375	93,984
Earned per share:		
Common	$2.16	$2.24
Paid	2.00	2.00
Equity per share	$30.00	$33.82

Waterloo Manufacturing

Waterloo Manufacturing Co. reports a moderate increase in net profits in 1941 over the previous year. On the company's $10 par preferred, 1941's net was equivalent to 95 cents a share against 78 cents a share in 1940. The 6% dividend on this stock is cumulative and unpaid from Jan. 1, 1941.

Balance sheet shows improvement in financial position. Bank loan has been reduced $100,000 to $384,467 and an excess of current liabilities over current assets turned into net working capital of $52,659.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	120,400	135,661
Less: Exec. remuner.	16,300	16,072
Legal fees	1,895	1,703
Depreciation	47,107	38,894
Income & E. P. taxes	20,500	14,000
Bad debt prov.	6,042	41,742
Surplus for year	28,555	23,250
Less: Prev. deficit	74,464	96,086
Loss on assets	13,821	1,628
Less: Excess inc. taxes	426	.....
Deficit forward	59,304	74,464
Earned per share:		
Preferred	$0.95	$0.78
No dividends paid.		
Common	0.31	0.16

Working Capital

	$	$
Current assets	495,252	500,400
Current liabilities	442,593	532,290
Working capital	52,659	*31,890

*Excess of liabilities.

Canadian Cottons

Canadian Cottons operated at capacity in the year ended March 31, 1942. Gross income was substantially larger but increase of nearly 100% in taxes kept net profits down to slightly above 1941. Net on the common stock was $14.30 a share, against $12.23 the year before.

Balance sheet at the end of last March shows further strengthening of working capital which now stands above $7 millions. Cash declined, but investments increased. There was also an advance in inventories and a moderate gain in fixed assets. During the year the company retired 3,209 shares of preferred stock, leaving outstanding $3,340,600.

Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Operating profit	3,253,116	2,355,456
Add. Other income	155,907	115,472
Total earnings	3,409,023	2,470,928
Less: Exec. remun.	49,540	52,560
Directors' fees	7,925	7,775
Legal fees	1,489	2,791
Depreciation	606,414	579,288
Income & E. P. taxes	2,100,000	1,266,703
Pension fund	50,000	50,000
Net profit	593,655	551,811
Less: Pref. divds.	205,249	219,690
Common divds.	108,620	108,620
Common bonus	54,310	54,310
Surplus for year	225,476	169,191
Add: Prev. surplus	2,070,788	1,901,597
Less: Prem. on pfd.	59,404	......
Earned surplus forw'd	2,236,860	2,070,788
Earned per share:		
Preferred	$17.77	$15.07
Paid	6.00	6.00
Common	14.30	12.23
Paid	6.00	6.00

Working Capital

	$	$
Current assets	10,352,357	8,774,033
Current liabilities	3,282,343	1,908,744
Working capital	7,070,014	6,865,289

Walkerville Brewery

Walkerville Brewery Ltd., reports sales in Ontario increased appreciably in 1941. H. Radner, president, is optimistic that same ratio of increase will be maintained in 1942.

Operating earnings in 1941 are substantially above 1940 but much heavier taxation results in net profits but little higher than in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	511,885	435,139
Add: Other income	4,013	7,136
Total earnings	515,898	442,275
Less: Exec. remun.	10,933	13,800
Directors' fees	400	300
Legal fees	5,215	5,651
Depreciation	33,738	33,786
Income & E. P. taxes	11,425	17,000
Other taxes	440,223	358,646
Net profit	13,964	13,092
Less: Common divds.	18,750	18,750
Deficit for year	4,786	5,658
Add: Prev. surplus	33,093	38,751
Less: Added tax prov.	9,000	......
Earned surplus forw'd	19,307	33,093
Earned per share:		
Common	$0.04	$0.03
Paid	0.05	0.05

Working Capital

Current assets	469,788	472,829
Current liabilities	95,543	89,021
Working capital	374,245	383,808

Lord Nelson Hotel

Operating revenues of Lord Nelson Hotel Co., Halifax, recorded further improvement during 1941. Revenue from all sources totalled $390,369, up from $311,093 for 1940. Operating expenses, taxes and interest on loans rose to $352,016 from $274,901 the previous year. These charges, together with $24,982 depreciation and $24,000 interest on first mortgage bonds, left a net loss of $10,629, against net loss of $12,754 in 1940.

Indebtedness to Canadian Pacific Railway was reduced from $367,402 to $345,475. Working capital declined from $60,323 to $50,201.

Goderich Elevator

Goderich Elevator & Transit Co. reports grain receipts for the 1941 season at 20.9 million bushels, greatest annual total in the company's history. Larger percentage of domestic milling and feed grain handled produced greater gross revenues, but higher operating expenses reduced profits. The common stock earned 90 cents a share in the year ended March 31, 1942, against 78 cents the previous year.

Prospects for this season's traffic are encouraging, states G. L. Parsons, president. First cargo was unloaded April 5 and to the end of April receipts totalled 2.7 million bus., a gain of 53% over the same period last year. Flour and meat export commitments by the government have augmented grain distribution which indicates "very substantial movement through our elevators." Railway power to move this grain will be the controlling factor in the effort to attain maximum results from the elevators.

Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Operating revenue	331,203	284,055
Less: Expenses	125,275	100,694
Operating profit	205,928	183,361
Add: Other income	6,924	4,580
Total earnings	212,852	187,941
Less: Depreciation	28,987	28,486
Income & E. P. taxes	108,000	94,000
Net profit	75,865	65,155
Less: Common divds.	63,004	54,604
Surplus for year	12,861	10,551
Add: Previous surplus	93,428	93,612
Less: Addit. inc. tax	......	10,735
Earned surplus forw'd.	106,289	93,428
Earned per share:		
Common	$0.90	$0.78
Paid	0.75	0.65
Working capital	180,279	145,992

Tip Top Tailors

Operating profit from the Canadian operations of Tip Top Tailors Ltd. in 1941 dropped to $565,024 from $1,006,819 in the previous fiscal year. Decrease is chiefly due to a drop in the volume of orders for government uniforms, and higher operating costs. Reduction in taxes, depreciation and special inventory reserve, allowed the company to maintain net profits.

David Dunkelman, president, states that while operations in the United States have shown some improvement, new conditions arising from the entry of the U. S. into the war may have an adverse effect on earnings.

Cons. Income and Surplus Account
Years Ended

	Jan. 3 1942 $	Dec. 28 1940 $
Operating profit	558,932	1,005,606
Add: Inc. fr. invests.	6,092	1,213
Total earnings	565,024	1,006,819
Less: Exec. remun. & legal fees	64,645	85,430
Directors' fees	1,200	1,000
Depreciation	123,879	179,384
Income & E. P. taxes	150,803	371,612
Inventory reserve	......	150,000
Net profit	224,497	219,393
Less: Pref. divds.	70,512	70,726
Common divds.	72,000	72,000
Surplus for year	81,985	76,667
Add: Prev. surplus	721,886	799,247
Less: Pref. shs. redemption	8,790	3,272
Advances & T.T.T. Inc. divds.	76,803	150,756
Prior yr. taxes	8,757	......
Earned surplus forw'd.	709,610	721,886
Earned per share:		
Preferred	$22.29	$21.74
Paid	7.00	7.00
Common	1.28	1.24
Paid	0.60	0.60

Working Capital

	$	$
Current assets	3,029,762	2,908,628
Current liabilities	1,520,750	1,417,967
Working capital	1,509,012	1,490,661

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as you must do today

THE PIONEERS working in their clearings in the woods kept their muskets always handy. When danger threatened, they dropped their sickles and took up their muskets.

That is what every Canadian enterprise must do today. Enemies are literally clamouring at our gates. The production of goods for war purposes *must* everywhere take first place. There is no alternative. Every time an individual chooses to place civilian needs ahead of war production—either deliberately—or carelessly—he handicaps the men of our fighting forces and those of our allies who stand between us and our enemies. He is no true Canadian.

Make this your sacred pledge...
BRAVE MEN SHALL NOT DIE BECAUSE I FALTERED

This message is issued by the Department of Munitions and Supply for Canada

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 18

Quotations: †1941. ‡1940. *1939. *1938.

* On account of arrears.
† Participating.
* Net after corporate income tax.
‡ Paid in 1941.
‡ Paid or payable in 1942 to date.

Mining Stocks

Week Ending May 18

Oil Stocks

Par Val.	High	Low	Company	Sales	Close May 11 (or last)	High for week	Low for week	Close May 18
1	.05	.03½	Nordon	500	.04	.04	.04	.04
No	.03	.01½	Oil Selections	......	(.02½ bid	.03 asked)		
No	.40	.22	Okalta	......	(.25 bid	.... asked)		
No	.04½	.02	Pacalta	55,000	.02½	.04½	.02½	.04
1	*.27	.15	Pacific Petroleum	......	(.12 bid	.... asked)		
No	.25	.25	Petrol Oil & Gas	......	(.... bid	.50 asked)		
No	19.75	16.50	Royalite	135	17.00	17.50	17.37	17.37
No	.05	.02½	South End	5,000	.04	.03½	.03	.03
No	.17	.14	South West Pete.	......	(.... bid	.... asked)		
5	1.60	.70	Texas Can.	......	(.76 bid	.80 asked)		
No	.04½	.03	United Oils	......	(.03½ bid	.04 asked)		
1	.13	.05½	Vermilata	49,700	.08½	.13	.08½	.11
1	.22	.15	Vulcan	......	(.09 bid	.15 asked)		

Vancouver Stocks

Par Val.	High	Low	Company	Sales	Close May 11 (or last)	High for week	Low for week	Close May 18
1	.05½	.03	Bayonne Cons.	......	(.... bid	.03½ asked)		
No	9.20	6.55	Bralorne	1,485	6.55	7.10	6.60	6.90
1	*.00½	.00½	Bridge River Cons.	......	(.... bid	.... asked)		
1	1.74	1.00	Cariboo Gold	350	1.07	1.10	1.08	1.10
No	.01	.00½	Dentonia	......	(.... bid	.01 asked)		
No	.00½	.00½	Fairview Amal.	......	(.00½ Apr. 21)			
1	.18	.10	George Copper	100	.10	.18	.18	.18
1	.06½	.05	Golconda	......	(.05 bid	.. asked)		
50c.	.18	.13	Gold Belt	800	.16	.18	.17	.18
50c.	.18	.13½	Grandview	400	.04	.13½	.13½	.13½
1	.03½	.00½	Grull Wihksne	......	(.01½ bid	.01½ asked)		
1	.25	.25	Hedley Mascot	2,800	.26	.25	.25	.25
No	.00½	.00½	Home Gold	......	(.... bid	.00½ asked)		
1	.00½	.00½	Indian Mines	......	(.01 bid	.02 asked)		
50c.	1.06	.96	Island Mountain	......	(.91 bid	1.00 asked)		
1	.30	.28	Inter'tl Coal	......	(.30 bid	.34½ asked)		
50c.	.23	.15	Kootenay Belle	2,450	.20	.23	.22½	.23
1	.20½	.18	McGillivray Creek	......	(.17½ bid	.23 asked)		
No	.01½	.00½	Minto Mines	......	(.00½ bid	.01 asked)		
50c.	.02	.00½	Nicola	......	(.... bid	.01½ asked)		
1	.10	.08	Pacific Nickel	......	(.... bid	.08 asked)		
1	1.75	1.10	Pend Oreille	350	1.20	1.25	1.20	1.20
1	2.05	1.32	Pioneer Gold	3,000	1.39	1.39	1.38	1.38
No	.01½	.00½	Premier Border	5,000	.01	.01	.00½	.00½
1	.60	.38	Premier Gold	5,100	.42	.42	.41½	.42
No	.60	.26	Privateer Mines	1,500	.29	.31	.29½	.30
1	.02	.01	Quatsino Copper	......	(.01 bid	.... asked)		
1	.50	.30	Reeves McDonald	......	.32	.30	.30	.30
1	.23	.02	Reno Gold	5,200	.03	.03½	.03	.03½
50c.	.00½	.00½	Salmon Gold	......	(.00½ bid	.00½ asked)		
50c.	.84	.68	Sheep Creek	3,850	.70	.75	.70½	.70½
1	.71	.60	Sibak Premier	......	(.66 bid	.69 asked)		
No	.00½	.00½	Silvercrest	......	(.... bid	.... asked)		
50c.	.10	.06	Surf Inlet	......	(.06 bid	.... asked)		
No	*.03	.02	Taylor Bridge	......	(.02 bid	.04 asked)		
20c.	.02½	.01	Wellington	......	(.01 bid	.01½ asked)		
1	.04½	.02	Whitewater	6,300	.03½	.03½	.03	.03½
No	.04	.04	Ymir Yankee Girl	1,000	.....	.04	.04	.04

Oil Quotations

Par Val.	High	Low	Company	Sales	Close May 11 (or last)	High for week	Low for week	Close May 18
1	.07	.05	Alta. Pac. Cons.	300	.06	.05	.05	.05
No	.55	.35	Anglo Canadian	700	.35	.35	.35	.35
No	.08	.02½	Anaconda	500	.02½	.02½	.02½	.02½
No	.25½	.19	Brit. Dominion	......	(.... bid	.... asked)		
No	*.07½	.05	Brown Oil	......	(.05½ bid	.... asked)		
No	1.17	.80	Calgary & Ed.	240	.85	.88	.85	.88
1	.07	.10	Calmont	1,000	.11	.12	.12	.12
No	.23	.16	Commoil	500	.18	.18	.16	.16
No	.28	.19	Commonwealth	500	.20	.19	.19	.19
No	.22	.15	Dalhousie	......	(.19 bid	.26 asked)		
No	.16½	.12	Davies Pete	......	(.05 bid	.... asked)		
No	.02½	.02½	East Crest	......	(.01 bid	.... asked)		
No	*.36½	.21	Federated Petroleum	......	(.... bid	.... asked)		
No	.85	.60	Foothills	......	(.64 bid	.... asked)		
No	.20	.10	High Sarcee	......	(.... bid	.... asked)		
No	2.67	2.30	Home Oil	1,400	2.46	2.50	2.35	2.39
No	.01½	.00½	Madison	1,000	.01	.01	.01	.01
No	.01½	.01	Marjon Oil	......	(.01 bid	.01½ asked)		
No	.04½	.02½	McD. Segur Ex.	500	.03½	.03½	.03½	.03½
No	.05	.03½	Mercury	1,400	.04½	.05	.04½	.04½
No	.07	.05½	Mill City Pete	100	.05½	.06	.06	.06
1	.20	.12	Model	1,500	.12	.20	.20	.20
25c.	.04	.04	National Pete	......	(.04 bid	.04½ asked)		
1	.03	.03	Nordon	......	(.03 bid	.... asked)		
No	.40	.20	Okalta	300	.24	.25	.25	.25
No	.04	.03	Pacalta Oil	1,000	.03	.04	.04	.04
1	.25	.14	Pacific Petroleums	......	(.15 bid	.... asked)		
No	.05½	.03	Royal Canadian	4,500	.03	.03½	.03½	.03½
No	†.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	18.63	16.00	Royalite	9	17.00	17.00	17.00	17.00
No	.05	.03½	South End	1,000	.03½	.03½	.03½	.03½
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.04	.04	Spooner	......	(.04½ bid	.... asked)		
25c.	.09½	.08	Sunset Oil	......	(.05 bid	.08 asked)		
No	.04½	.02	United	1,150	.03½	.03½	.02	.02
No	.04	.04	Vanalta	......	(.04½ bid	.... asked)		
1	.20	.12	Vulcan	......	(.... bid	.15 asked)		

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from May 11 to May 16)

	Sales	High for period	Low for period	Close May 16
Flin Flon Gold	5,000	.02	.02	.02
Forty-Four Mines	461	.10	.10	.10
Marvel Oils	10,000	.04½	.04½	.04½
Sachigo River	20	4.50	4.50	4.50
United Grain Growers	9	11.50	11.50	11.50

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	3½
Beav. Lumber, c	3	5	Home Invest.	25½	..
Beav. Lumber, p	100¼	..	Nor. C. Mtg. un	5½	..
Can. Indemnity	150		Nor. Trusts	..	7½
Cres. Cream., p.	..	12	Traders Bldg.	44	..
Dom. Envel., c.	..	3½	West. Brew.	1½	2
Dom. Envel., p.	..	96	West. Grain, p.	..	7
Fed. Grain, c.	.35	1¼	West. Steel	7	9

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 19	5,100	21,000	229,000	......
May 18	6,200	3,000	152,000	14,500
May 16	3,200	2,400	136,000	6,350
May 15	8,900	3,400	163,000	2,750
May 14	6,600	4,100	85,000	9,775
May 13	9,500	1,300	129,000	5,725

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

May 20, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100½	101½	.30
2½	June '43	101	101½	1.05
5	Oct. '43	104½	105½	1.34
2	June '44	100½	101½	1.36
1½	Sept. '44	99½	100	1.50
a2½	Jan. '44	99½	100½	2.25
4½	Oct. '44	105½	107	1.54
2½	Nov. '44	101½	102½	1.56
a2½	Aug. '45	99	99½‡	2.58
4	Oct. '45	103	103½	b1.32
3	Mar. '45	100½	101	1.63
2	Dec. '46	99½	99½	2.03
4½	Feb. '46	109	109½	1.84
2½	Mar. '48	99½	100	2.25
3½	June '49	102½	103½	b2.34
3½	Oct. '49	102½	103½	b2.16
3½	Nov. '51	101½	102½	b2.83
3½	Feb. '52	102	102½	‡2.88
a5	May '52	100½	101½‡	...
4	Oct. '52	105½	106½	b2.70
a3	June '51	100	100½	3.00
3	Oct. '52	99½	99½	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	107	107½	b2.66
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107½	108½	b2.81
3	June '58	99	99½	3.02
4½	Nov. '58	108½	109½	b2.92
4½	Nov. '59	109½	110½	b2.93
a4	Oct. '60	104½	‡105½	b3.22
a3½	Jan. '61	98½	99½‡	3.28
3½	June '66	101	101½	b3.10
a3e	Jan. '67	95	96‡	3.23
a3e	Nov. '68	95	96‡	3.22
†3	Perpet'l.	94½	95½	3.14

Dominion Guarant'd Bond

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101	.66
2½	Jan. '46	100½	101½	1.90
3	May '44	102½	103½	1.31
3	Dec. '50	99½	100½	2.93
3	Jan. '59	98½	99½	3.06
*4½	Sept. '51	117	118	2.34
*4½	Feb. '56	118½	119½	2.83
4½	July '57	118½	119½	2.92
3	Feb. '53	98½	99½	3.05
4½	June '55	120½	121½	2.79

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	118½	119½	3.07
*5e	July '69	118	119	...
*5e	Oct. '69	122½	123½	b2.21
*5e	Feb. '70	122½	123½	b2.29
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122½	123½	2.85
Grand Trunk Pacific Rly.:				
3	Jan. '62	100½	101½	2.88

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	93	95	3.63
3½	Aug. '49	95	97	3.72
3½	June '56	95	97	3.77
c4	Nov. '47	103½	105½	b2.35
c4½	Apr. '61	107½	109	3.83
c5	Jan. '60	110	112	4.05
Nova Scotia:				
3	Jan. '52	96½	98½	3.17
3½	June '56	98½	100½	3.20
3½	Nov. '50	101	103	3.10
c4½	Sept. '52	108½	110	b2.48
c4½	Nov. '60	112	114	3.47
c5	Mar. '60	118	120	3.50
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99½	100½	b2.86
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	109	112	3.20
4½	June '50	109	110	3.13
*4½	Jan. '62	116	118	3.27
5	Oct. '48	110½	111½	3.00
*5	Dec. '60	121½	123½	3.32
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.03
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	101	103	3.88
Quebec:				
3	Nov. '47	98½	99½	3.15
3½	Mar. '48	99	100	3.25
3½	Mar. '59	99½	100½	b3.45
4	Nov. '52	102½	104	b3.45

%	Due	Bid	Ask.	Approx. Yld.
3½	Feb. '55	101	102	b3.50
4½	Aug. '58	105½	108	3.90
4½	Jan. '63	110½	112½	3.64
Alberta:				
4½	Oct. '51	74	..	d
4½	Oct. '56	69	72	d
4	Dec. '54	66½	69½	d
*5	Oct. '59	71	73½	d
c5½	Apr. '52	71	74	d
6	Mar. '47	73	76	d
British Columbia:				
c4	Dec. '57	101	103	3.75
*4½	Jan. '51	106½	108½	3.34
c4½	Oct. '53	107	109½	3.49
c5	Apr. '54	113	115	3.46
5½	Feb. '45	104½	106	3.29
6	Feb. '47	107	109½	3.80
Manitoba:				
c4	Dec. '57	97½	99½	4.05
c4½	Dec. '56	99½	101½	4.35
*5	Dec. '59	103	105½	4.54
5½	Oct. '55	103	105½	4.93
6	Apr. '47	103½	105½	4.73
Saskatchewan:				
4	Sept. '54	79	82	6.07
4	Nov. '60	78	81	5.67
c4½	Oct. '51	88½	91	5.74
c4½	Mar. '60	85	87	5.66
5	Aug. '58	87	90	5.96
5½	Oct. '52	93	96	6.02
6	Mar. '52	96½	99½	6.07

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds. ‡–Calculated to 1950 average maturity. a–Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

May 19, 1942

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf	46	50
Andian National	26	28
Anglo C. Tel., A	6½	7½
Atlas Steel	19	22
Brand. Hen., c.	2	3½
B. C. Pulp, c.	9½	10½
Do., pfd.	61	65
B. C. Sugar	64	67
B. C. Tel., 1st p.	104	..
Brown, com.	1½	1½
Do., pfd.	24	26½
Burns & Co., A	3	4
Do., B	1½	2½
Can. Co-op. Wl.	8	..
Can. Indust., A	144	..
Can. Airways	1½	1½
Can. Ing. Rand	71	..
Can. Mot. L.A.B.	5½	..
Can. Tube, 1st p.	78	82
Chase, A. W., p.	18	19½
Colonial Realty	2	..
Colonial Steam.	36	38½
Corr. Pap. Box c	1½	2
Copeland Fl. un.	13	15
Dunlop T. p. $25	16½	17½
Easy Wash. p $10	9	10½
Galt Brass, c.	9½	12
Goderich Elev.	7	8
Guard. Realty, p	12½	15½
Guelph Carp., c.	16½	18½
Gurney Fdry., p	1½	1½
Hayes Steel, c.	14½	16
Hi'land Dairy, p.	..	46
Inglis, John	4	4½
Ingram & Bell, p	94	..
Kingst. Ship., un	..	39
Do., com.	7	8
Loblaw, Inc., c.	11	12½
Minn.&Ont. P. c.	3½	3½
M'row Screw, p.	100	105
Do., com.	14	15
Morrison Br. un	4	5
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	66	..
Ont. Tobacco, p.	18	20
Prov. Paper, pf.	100	102
Quinte Milk	2½	3½
Stand. Fuel, p.	51	54
Do., com.	½	1½
Stedman, pf. $50	52	55
Sutton Horsley	½	1
Tor. Carpet, c.	62	..
Do., pfd.	68	73
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	21	22
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	123	132
Brockville Tr.	43	..
Capital Tr.	28	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	104
Guelph & O. $50	50	53
Indust. Mtge.	24	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	35	38½
Sherbrooke Tr.	120	..
Sterling Trust	50	54
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	3½	4½
Do., A pfd.	57	61
Trusts & Guar.	30	33
Victoria Trust	67	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	340	370
Brit. Amer.	50	52
Canadian Fire	80	82
Confed. 30% pd.	127	136
Cons. Fire Cas.	3½	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	260	280
Dominion Fire	137	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 40% pd	70	74
Great-West Life	200	210
Federal, 25% pd.	52	54
Halifax Fire	14	16
Imperial Life	260	270
Manufac. Life	218	221
Monarch Life	32	34
National Life	8	13
Sov. L. 25% pd.	12	14
Sun Life	230	250
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	36	39
Theatre Stocks:		
Allen's, St. Cath. units	54	57
Do. Kings'n un	62	64
Loew's London p	3½	4½
Mansf. Theat., p	30	32
Para., Kitch., p	50	..
Do., Oshawa, c	8	9½
Investment Trust Shares:		
Inv. Found. un.	43	44½
Sec's. Hold., pf.	19	21
United Corp., A	20	22½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	26	28
Do., pfd.	102	..
Gt. Lakes Pr., p	100	103
Int. Util., $1.75 p	9	13
Do., $3.50 pf.	25	27
Mtl. Isl. Pwr. p.	42	..
Nor. Ont. Pr. p	70	75

Unlisted Mines

Toronto, May 19, 1942

	Bid	Ask
Albany R (Old)	.01	.02
(New)	.04	.09
Amal Kirk	.02½	.03½
Anoki	.01	.02½
Aquarius	..	.12
Arjon	.02½	.03½
Armistice	.02	.05
Argosy	.03	..
Area	.03½	.04½
Arntfield	..	.01½
Athona (New)	.00½	.01½
Barb Lard	.01	.02
Brock	.02½	.04
Bellete'e	1.50	2.00
Can Rad	.08	.11
Central M	.01½	.02
Cheminis	.01½	.03
Columb'e	.14	.16
Cons Chib	.03	.05

	Bid	Ask
Delpine	.03	.05
Desantis (New)	..	.05
Dona Pat	.01	.02
Eastward	.03	.05
Elmos	.03	.06
Franco	.10	.15
Galore	.00½	.01½
Goodrock	.30	.32
Hayes Cad	.02½	.03½
Hoyle new	.09	.10
Hugh PaP	..	.03
Kirk Gate	.00½	.01½
Kirk Town	.03	.06
Lacoma	..	.01
Laguerre	.02	.05
Lake Duf	.24	.28
Lake Gen	.05	.08
Lw Pete	.12	.17
Magnet C	.25	.29
Magnet L	.07	.11

	Bid	Ask
Martin Bir	.01½	.03
Mata Can	.02	.04
Mata Con	.12	.14
McMar'ac	..	.06
Mof Hal n	.01	.02
Mosher	.04½	.06
McManus	..	.01½
Nat Mal	.10	.12
Nickel O	1.10	1.60
Norbeau	.15	.17
Norwin	.09	.10
N Ribago	.00½	.01½
Numalake	..	.12
Oklend	.02	.03½
O'Leary M	.02	.03
Opemiska	.05	.06
Orpit	.02½	.03
Pascalis	.07	.10
Pontiac R (Old)	.03	.05
Pelangio	.01	.02

	Bid	Ask
Polaris	..	.03
Proprie'y	3.35	3.70
Presdor	.02	.03
Queb Mn	.26	.28
Rand Mal	.06	.11
Red Lake	.00½	.01½
Ritoria	.00½	.01½
Rouge	.01	.02
S.A.G.A.	.60	.70
Sachigo	4.50	5.00
Sheldon	.03½	.04½
Skynner	.00½	.01½
Springer	.10	.12
Stadacona	..	.09
Thomson	.07	.10
Union Mn	.02	.04
Wesley	.01½	.02
Y David'n	.15	.17

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 19, 1942

Public Utility Issues:	Int. Rate %	Due	Bid May 19	Asked May 19	Bid May 12
▲Alg. Cen. H.B.R.	5	'59	17	19	15½
†Assoc. Tel. & T.	5½	'55	70	73	67½
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	106	108	106
†Calgary Pwr.	5	'60	107	109	107
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	100½	102½	100½
*Dom. Gas & El.	6½	'45	103½	105	104
Gatineau Pwr.	5	'49	101½	103½	101½
*Do., A	3½	'69	100½	102½	99½
‡Do., B	3½	'69	100	102	99½
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98	100½	97½
*Int. Hydro-El.	6	'44	34½	37½	36½
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	101	103	101½
Mtl. L. H. & Pr.	3½	'56	104	106	104
Do.	3½	'73	102	104	102
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	101	103	101
†Do.	5	'55	80	83	79
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	101½	103½	101½
†Power Corp.	4½	'59	90½	93½	90½
Quebec Pwr.	4	'62	102½	104½	102½
*Saguenay P.	4½	'66	107½	109½	107
‡Do., B	4½	'66	106½	108½	106
St. Maurice Pr.	4½	'70	103	105	103
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	99½	102½	99½
*Twin C. R. Tr.	5½	'52	85½	88½	86½
†United Secs.	5½	'52	86½	89½	86
‡Wpg. El. ser. A.	5	'65	84½	87½	84½
Do., B	5	'65	69½	72½	68½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	56	59	59
Do., C.O.D.	5	'53	55½	58½	58½
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	98½	101½	98½
†Alta. Pa. Grain.	6	'46	103½	105½	103½
Algoma Steel	5	'48	102	104½	102
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	89½	92½	89½
‡†Do.	7	'50	105	...	104
*Brown Co.	5	'59	76½	79½	79
Burns & Co.	5	'58	68	71	68
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	97	100	95½
Can. Paper	4½	'52	101	...	101
Can. Steamship.	5	'57	102	104	102
Can. Canners	4	'51	101½	104	101½
*Can. Int. Paper	6	'49	104½	106½	104½
‡Can. Locomotive	6	'53	103½	106½	101½
‡†Candn. Vickers	6	'47	99	102	99
C. P. R.	3½	'51	97½	99½	97
Do.	4	'49	101½	103½	101½
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	65	68	64½
Dom. Coal	4½	'52	98	101	99
Dom. Scott. Inv.	4	'52	96½	99½	97
Dom. Stl. & C.	6½	'55	104½	107½	105
Dom. Tar	4½	'51	102½	104½	102
Dom. Woollens.	6	'53	96	99	96½
†Donnacona Pap.	4½	'56	74½	77½	76
*Dryden Pap.	6	'49	100½	103½	100½
†East. Dairies	6	'49	77	80	78
Famous Players	4½	'51	99½	102	99½
†Federal Grain	6	'49	102½	104½	102
†Fraser Cos.	6	'50	102	104	102
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101	103½	101
*Gt. L. Paper	5	'55	92	95	93
*Gurney Fdry.	5½	'49	87	90	87
†Gypsum Lime	5½	'48	102	104½	101½
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	78½	81½	78
Ins. Ex. Bldg.	3	'51	48½	51½	48½
*Inter. P. Nfld.	5	'68	98	101	98
*Inv. Bond & Sh.	5	'47	41	44	41
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	79½	82½	81½
Do.	5	'61	84	87	87
Legare	6	'61	89	92	89
Maple L. M.	3	'58	81½	84	81
Man. Sugar	5	'60	100½	103½	100½
Massey-Harris	4½	'54	96½	99½	96
McColl-Fron.	4½	'49	100½	103½	101
McCormicks	4	'52	96½	99½	96½
Do.	4½	'53	104	106	104
Mercury Mills	5	'59	96	99	96
Mersey Paper	5	'57	96	99	96
†Do.	6	'49	98½	101½	98½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at May 19, 1942, and change in bids, from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32	35	–½
Atlas Steels, 7% pfd.	105½	106½	+½
Brantford Roofing, c.	2.25	3.00	–.10
*Can. Gen. Rubber, pfd.	..	21	–½
Can. Mach., new com.	8½	10½	+½
C.P.R., 4% p. (£ par)	1.75	2.50	–.10
Capital Wirecloth, pfd.	18½	22	–½
Cawthra Apts., pfd.	2½	—	+½
Century Finance, com.	..	28½	+½
Claude Neon, pfd.	1.15	1½	–.10
Comm. Life, 10% pd.	6	7.50	–.10
Dairy Corp., pfd.	7	10	+½
Dom. Alloy Steel, pfd.	.05	.20	unch
Dom. Life, 70% pd.	177	206	+2
Dover Industries	5.85	6½	+.10
Eastern Steel, 5% pfd.	19½	21	+½
†Ft. Wm. Hotel, units	..	47	–½
Hart Battery, com.	4.05	4.75	–.05
London & West. Trusts	30½	33	–½
Mont. Deb. Corp., pfd.	2.05	2.65	+.05
Mt. Royal, new com.	3.05	3.60	–.05
Murphy Paint, com.	7	8.75	–.10
Do., 5½% pref.	84½	86½	–½
Nat. Hosiery, com.	.70	.90	+.05
Do., pfd.	.75	1.10	–.05
†N. Amer. Elev., 1st pfd.	82	..	–½
*Do., 2nd pfd.	26	..	–½
Do., com.	..	1½	+½
St. John Dry D., 5½% p.	100	102	+½
Sterling Rubber, 6½% p	..	62	–½
Supertest Pete., 6% pfd.	25½	27½	+½
Tip Top Tailors Inc., un.	12½	13½	–½
Traders Finance, rts.	8½	11	–½
Viceroy Mfg., 6% pfd.	20½	23	–1
Waterloo Mfg., new c.	.90	1.20	unch
Wentworth Radio, pfd.	2	..	unch.
West Can. Hydro, pfd.	11½	12	+½
West. Life, 10% pd.	8½	10½	–½
Windsor Hotel, com.	2½	3	–½

* Issue carries arrears.
† Currently paying on arrears.

Municipal Bonds

May 19, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	114.00	117.00	3.74
Hamilton	5	1950	109.25	112.25	3.25
Montreal	5	1945	91.00	94.00	*
Ottawa	4½	1945	104.75	106.25	2.45
†Quebec	5	1959	108.00	112.00	4.02
Saint John	5	1950	105.00	108.00	3.90
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.98

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.75	1.91
Can. Amer. Trust	2.50	3.00
Can. Inter. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Trans-Canada	8.20	9.05

Corporation Bonds (Cont'd)

*M. & O. Paper	5	'60	97	99	97½
Moirs Ltd.	6	'53	83	86	83
‡Mtrl. Drydocks.	6	'48	83	86	81½
Montreal Apts.	4	'54	57	60	58
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	82½	85½	82½
Price Bros.	5	'57	96½	99½	97½
Do.	4	'57	79	82	79
*Prov. Paper	5½	'47	105	108	105
Reliance Grain.	4½	'52	98½	101½	96½
†Restigouche Co.	6	'48	101½	104½	101½
Rolland Paper	4½	'51	102	104	102
Ruddy, E. L.	6½	'48	84	87	83
Silv. Dairies	6	'66	94	97	93½
Simpsons, Ltd.	4½	'51	100	102½	100
Smith, Howard.	4½	'51	102½	104½	102½
Stand. Lime	6	'44	98½	101½	98½
Sterling Coal	6	'45	98½	101½	98½
Step Shop	3	'47	59	62	58½
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	104½	107½	104½
United Gr. Grs.	5	'48	100	103	100
†Western Grain	6	'49	61	64	62½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Annual Meetings

1942	Company	Place
May 22	Terminal Warehouses	Wilmington
May 26	Assoc. Tel. & Tele.	Wilmington
May 26	Winnipeg Electric	Winnipeg
May 27	Canada Machinery	Galt
May 27	Photo Engravers	Toronto
May 28	Can. Cottons*	Montreal
May 28	Dom. Woollens	Toronto
May 28	Kiena Gold Mines	Toronto
May 29	McV.-Graham M.	Montreal
May 29	Powell Rouyn Gold	Noranda
May 29	E. L. Ruddy	Toronto
May 30	Tip Top Tailors	Toronto
June 4	Candn. For. Invest.	Montreal
June 12	Ottawa L. H. & Pwr.	Ottawa
June 15	McIntyre Porc. Mines	Toronto
June 15	Temiskaming Mining	Toronto

*And special.

Mining Dividends

	Rate	May 18	%
Anglo-Huronian	10c	2.10	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	1.05	15.2
Bayonne	†1c	.03½	..
Beattie Gold	7c	.65	..
Berens River	6c	.65	..
Bralorne	80c+40c	6.90	*17.4
Broulan Porc.	12c	.39	..
Buffalo Ankerite	▲30c	1.25	..
Bulolo Gold	$3	8.00	..
Can. Malartic	8c	.36	..
Cariboo Gold	16c+1c	1.10	*15.5
Central Patricia	16c+4c	.85	*23.5
Chesterville	▲15c	.75	..
Cochenour Willans	6c	.58	10.3
Coniagas	10c	.80	..
Coniaurum	16c	.70	22.8
Cons. Smelters	$1+$1.50	37.75	*6.6
Delnite	6c	.40	..
Dome Mines	$1.60	12.25	13
East Malartic	‡5c	1.37	..
Falconbridge	20c	2.80	7.1
Francoeur Gold	▲4c	.22	..
Goldale Mines	2c	.07	..
Gold Belt	2c	.18	..
Grandview	1c	.13⅛	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.80	22.1
Hard Rock	3c	.38	..
Hedley Mascot	8c	.25	..
Hollinger	65c	7.60	8.5
Howey Gold	2c	.16½	..
Hudson Bay	$2	24.75	8.1
Inspiration	▲2c	.21	..
Inter. Nickel. com.	$2	31.25	6.4
Island Mountain	8c	1.02	..
Jason	▲4c	.15⅛	..
Kerr-Addison	‡10c	3.50	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.41½	..
Lamaque Gold	40c+15c	3.25	*16.9
Lake Shore	80c	8.75	9.2
Leitch	8c	.45	..
Little Long Lac	▲20c	.97	..
Macassa	32c+3c	2.10	*16.6
Madsen R. Lake	▲3c	.43	..
Malartic Gold	▲10c	1.38	..
McGillivray Coal	▲2c	.18	..
McKenzie Red L.	12c	.59	20.3
Moneta	8c	.23	..
McIntyre-Porc.	$2.22+$1.11	36.00	*9.2
MacLeod-Cockshutt	10c	1.10	..
Negus	2½c	.34	..
Nipissing	15c	.89	16.9
Noranda	$4	44.50	8.9
North Empire	‡10c	3.75	..
O'Brien Gold	3c	.55	..
Pamour Porc.	▲12c	.51	..
Pato Cons.	‡25c	2.15	..
Pend Oreille	▲6c	1.20	..
Perron Gold	16c+1c	1.05	*16.1
Pioneer. B.C.	40c	1.45	..
Pickle Crow	30c	1.60	18.7
Placer Develop.	25c	4.25	..
Premier	8c	.41	19.5
Preston E. Dome	20c	1.84	10.8
Privateer Mines	12c+1c	.30	..
Quebec Gold	▲2c	.20	..
Reno Gold	•20c	.03¼	..
San Antonio	14c+6c	1.50	*13.3
Sheep Creek	18c+2c	.78	*23
Sherritt Gordon	10c	.70	..
Sigma Mines	30c	4.10	..
Silbak Premier	16c	.65	24.6
Siscoe	‡3½c	.32	..
Sturgeon River	6c	.08½	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	‡3c	.52	..
Surf Inlet	▲2c	.10	..
Sylvanite Gold	20c	1.27	15.7
Teck-Hughes	40c	1.75	22.8
Toburn	12c+4c	.85	*18.8
Upper Canada	‡5½	.74	..
Ventures	▲20c	3.30	..
Waite Amulet	40c	4.25	..
Wendigo	3c	.13¼	..
Wright-Harg.	40c+5c	2.20	*20.4
Ymir Yankee	▲2c	.04	..

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date. •Capital distribution.

Dividends Declared

	This payment	Date payable	Date of record
Aunor Gold	4c	June 1	May 15
Agnew-Surpass, p.	$1.75	July 2	June 15
Aluminium	$2	June 5	May 15
Do., pref.	†$1.50	June 1	May 8
Anglo Can. Tel., A	15c	June 1	May 15
Andian Nat.	†$1	June 1	May 20
Asbestos Corp.	20c	June 30	June 15
Do., extra	10c	June 30	June 15
Assoc. Brew.	25c	June 30	June 10
Do., pref.	$1.75	July 1	June 10
Bk. of N. Scotia	$3	July 2	June 15
Berens R. Mines	3c	June 15	May 27
Brazilian Tr., c.	40c	July 18	May 30
Belding Cort.	$1	July 2	June 15
Do., pref.	$1.75	July 2	June 15
Beath & Son	80c	July 1	June 15
Bk. Can. Nationale	$2	June 1	May 15
Barber Ellis, c.	12½c	June 15	Mar. 31
Bk. of Montreal	$2	June 1	Apr. 30
Bk. of Toronto	$2.50	June 1	May 15
Borden Co.	30c	June 1	May 15
Bruck Silk	10c	June 15	May 9
Bright, T. G., pfd.	$1.50	June 15	May 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Beattie Gold	3c	June 26	June 4
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Cr. Stone	10c	June 15	June 1
Canada Vinegars	10c	June 1	May 15
Can. Wire & C., A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Ind. Alc., A, B	10c	June 1	May 20
Canada Dry	†15c	June 10	May 22
Canada Malting	50c	June 15	May 30
Can. Marconi	4c	June 1	Apr. 15
Comm. Alcohols	5c	July 15	June 30
Do., pref.	10c	July 15	June 30
Commoil	.00½c	May 25	May 15
Corr. Pap. Box, pf.	$1.75	June 1	May 15
Can. Bakeries, p.	*$2.50	June 1	May 18
Can. Breweries, pf.	85c	July 2	June 15
Can. Fairbanks, c.	$2	June 1	May 15
Cons. Div. Std. Sec., p.	37½c	June 15	May 30
Crow's Nest Coal	▪$1.50	June 2	May 9
Can. For. Inv., pref.	$2	July 1	May 15
Command Oils	2c	June 15	May 21
Can. Foundries, A	37½c	June 15	June 1
Can. & Dom. Sug.	▪37½c	June 1	May 15
Canada Bread, pfd.	$1.50	July 1	June 15
Do., (B) pref.	62½c	July 1	June 15
Canada Cement, pf.	$1.25	June 20	May 30
Can. Int. Inv. Tr., pf.	50c	June 1	May 15
Dom. Envelope, pf.	$1.75	June 1	May 20
Dome Mines	▪40c	July 20	June 30
Delnite Mines	3c	May 29	May 9
Distillers Seag., c.	55½c	June 15	May 20
Do., pref.	†$1.25	Aug. 1	July 15
Dom. Foundries, pf.	$1.50	June 1	May 20
Dom. Ang. Inv., pf.	$1.25	June 1	May 15
Dom. Scot. Inv., pf.	▪$1	June 1	May 20
East. Steel Prod., c.	25c	June 1	May 15
Fanny Farmer	†37½c	July 1	June 15
Federal Grain, p.	$2	June 1	May 15
Ford Motor	25c	June 20	May 30
Granby Cons.	†▪10c	June 1	May 15
Do., extra	†▪5c	June 1	May 15
Gold Belt M.	2c	June 15	May 30
Hard Rock Gold	3c	June 17	June 1
Honey Dew	50c	July 2	June 15
Hallnor Mines	10c	June 1	May 15
Home Oil	▪15c	June 15	May 15
Howey Gold	2c	June 20	May 20
Island Mtn.	8c	May 25	May 1
Imp. Varnish	12½c	June 1	May 20
Do., pref.	37½c	June 1	May 20
Inter. Nickel, c.	†50c	June 30	June 1
Imperial Oil	25c	June 1	May 18
Inter. Pete.	50c	June 1	May 19
Do., pref.	50c	June 1	May 19
Lake Shore M.	20c	June 15	June 1
Lindsay, C. W., p.	$2	June 1	May 20
Loblaw Groc. Inc.	†25c	June 1	May 15
Landed Bkg.	$1	July 2	June 15
Langley's, pfd.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do. extra	5c	June 1	May 8
Lake of W. Mill.	30c	June 1	May 15
Do., pref.	$1.75	June 1	May 15
Laura Secord	20c	June 1	May 15
Loblaw, A, B	25c	June 1	May 9
Do., extra	12½c	June 1	May 9
McIntyre-Porc.	55½c	June 1	May 1
Model Oils	3c	June 20	May 30
McK. Red Lake	3c	June 15	June 1
Mod. Containers	20c	July 2	June 20
Do., extra	10c	July 2	June 20
Do., pref.	$1.37½	July 2	June 20
MacKinnon Stl., p.	$1.25	June 15	May 30
Montreal Loan	31¼c	June 15	May 31
Macassa Mines	8c	June 15	May 30
Noranda Mines	$1	June 15	May 20
National Biscuit, p.	†$1.75	May 29	May 12
Nat. Steel Car	50c	July 15	June 30
N. S. Lt. & Pwr., pf.	$1.50	June 1	May 16
Ogilvie Flour, pf.	$1.75	June 1	May 19
Ottawa L. & Pr.	15c	July 1	May 18
Do., pref.	$1.25	July 1	May 18
Perron Gold	▪4c	June 20	June 1
Para. Pictures	†25c	July 1	June 17
Do., 1st pref.	†$1.50	July 1	June 17
Pato Cons. Gold	15c	June 15	May 29
Placer Develop	25c	June 19	May 22
Prev. Bank	$1.50	June 1	May 15
Paton Mfg.	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Preston E. Dome	5c	July 16	June 30
Quebec Power	25c	May 25	Apr. 23
Regent Knit., c.	35c	Sept. 15	Aug. 31
Royal Bank	$2	June 1	Apr. 30
Regent Knitting pfd.	‡40c	June 1	May 15
Reliance Grain, p.	$1.62½	June 15	May 30
Rolland Paper, p.	$1.50	June 1	May 15
Royalite Oil	50c	June 1	May 18

Wheat Deliveries Hold Low Level

Deliveries of wheat by farmers continue at a very low level. Probably a few farmers have in mind carrying over old crop wheat in the hope of realizing the increased price which the Canadian Wheat Board is to pay for wheat commencing Aug. 1.

Warnings by the Canadian Wheat Board that old crop wheat may not be delivered to the Board in the new crop year have not yet fully registered throughout the West. Knowledge of them will be more widespread as soon as farmers are able to attend to other matters than seeding.

But it is generally believed that there is not a great deal of wheat left in the country beyond what farmers intend to feed, and that total deliveries for the crop year will not exceed 200 million bushels.

Prices Show Easier Tone

Commodity Indices Unchanged to Lower — Cattle Prices Firmer

With ceilings in effect in the United States as well as Canada, commodity prices have shown a slightly easier tone. Of three spot commodity price indices, two are unchanged, one lower. Dow Jones index of future commodity prices shows moderate decline.

Cattle have been firmer on the Canadian markets, domestic demand being sufficient to absorb readily offerings of good quality. Exports to the United States have been negligible. Prices on the American markets have been lower, while the quota allowed into the United States at the lower duty has been filled for the second quarter. Shipments made now enter the United States under the higher rate of duty.

Cotton prices have been easy owing to a proposal in the United States to lower ceilings to parity levels.

	Latest week	Previous week	Same week last yr.
Cattle	$10.79	$10.45	$8.55
Hogs	15.21	15.25	12.08
Copper, lb.	.12	.12	.12
Cotton, lb.	.2114	.2115	.1329
Sugar, raw, lb.	*.0374	.0374	.0338
Wheat, Man. (bu.)	.79¼	.79¼	.75
Coffee, lb.	*.09⅜	.09⅜	.07½
Hides	*.15½	.15½	.16½
Weekly Indices			
U. S. Labor	98.6	98.7	84.0
Wood, Gundy	77.0	77.0	71.8
Dow Jones (fut.)	86.96	87.94	68.98
Fishers	106.3	106.3	91.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Apr.)†	115.9	115.9	108.6
W'sale (Mar.)	95.1	94.6	85.9
U. S. (Feb.)	96.7	96.0	80.6
Gt. Brit. (Feb.)	158.5	156.4	150.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

New Westminster, B.C., announces a balanced budget of $1.5 million for this year and a tax rate of 71 mills as compared with the 70 mill rate of the past few years.

Port Colborne, Ont. has struck the 1942 tax rate at 39 mills, the same as in 1941. Anticipated expenditures for water works, sewers and the fire department prevented any reduction in the rate.

Dividends Declared (Cont'd)

Securities Hold., p.	75c	June 30	June 16
Shaw. W. & Power	22c	May 25	Apr. 23
Sher.-Williams, pf.	$1.75	July 2	June 15
Sherritt Gordon	▪5c	May 29	Apr. 24
Stuart, D. A. Oil, p.	20c	June 1	May 15
Sylvanite Gold	5c	June 30	May 9
Siscoe Gold	1½c	Jun 15	May 13
Stedman Bros.	15c	July 1	June 20
Do., pref.	75c	July 1	June 20
Teck Hughes	▪10c	June 1	May 8
Tor. Elevators, p.	66c	June 6	May 22
Union Gas	20c	June 15	May 20
Un. Amuse., A, B	40c	May 30	May 15
Upper C. Mines	2½c	May 30	May 16
Ventures	▪5c	June 30	June 16
West Can. Hyd. El., B	5c	June 1	May 20
Do., pref.	20c	June 1	May 20
Waite Amulet	10c	June 10	May 25
Walker, Hiram	$1	June 15	May 22
Do., pref.	25c	June 15	May 22
Wilsil	25c	July 1	June 15
Wr. Hargreaves	10c	July 2	May 28

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. ‡Also 40c payable Sept. 1 and Dec. 1. *Eliminates arrears.

Dividends Deferred: Bright, T. G., com. June 15.

Wheat Seeding in West Complete in Most Areas

Some Lands Still Available for Coarse Grains and Flax — Farmers Show Little Enthusiasm for Tricky Flax Crops

From Our Own Correspondent

WINNIPEG.—Over the west as a whole farmers have accomplished the bulk of the wheat seeding intended, and a fair proportion of coarse grains seeding is finished. In some areas, mostly in the eastern half of Manitoba, wet weather has delayed much work on the land and it will not be possible for farmers to carry out their seeding intentions fully. But they do not appear unduly worried, as they still hope to be able to get their land fully seeded with oats and barley, which can be put in later than wheat.

Excess of moisture in the Red River Valley is balanced by moisture deficiency in central Alberta, although both the extreme north and south of the province are well provided with moisture. Saskatchewan has a large area, mainly the west central part, where farmers are eagerly looking for rain. Provided there are no high winds to blow the soil in the dry areas, satisfactory rains before the first of June can lead to expectations of good yields.

The campaign to increase the acreage devoted to flax succeeded in some measure, but it failed to produce as great an increase as had been hoped for. Evidently to the majority of farmers flaxseed, even with a guaranteed price basis of $2.25 per bushel, plus a bonus of $2 per acre in the case of former wheat land devoted to flax, is not very inviting.

At first it was feared that there might not be enough seed, but it is now clear that a surplus of possible seed stocks will remain. Most farmers have had some slight experience with growing flax, usually on land broken in the spring, which could not be prepared in time for any other crop.

Most of them had unsatisfactory experience, either with yields, or with price, for flax prices used to fluctuate quite widely, or with land left very weedy after a flax crop. Then, too, certain seed-borne diseases, which now can be eliminated by treatment of seed, used to take a considerable toll. Farmers will be watching the experience this year of neighbors who have put in some flax and, if returns prove to be satisfactory, there may be a greater willingness to seed flax another year.

Alberta Bond Meet Delayed

Conferences between holders of Alberta bonds and representatives of the provincial government, originally scheduled to start May 21, have been postponed at the request of the bondholders' representatives because of their desire to secure more complete representation of various bondholder groups.

Bondholders' representatives so far appointed are J. C. Elliott, Toronto, as chairman, assisted by H. A. Howard, Calgary, and H. W. Taplock, assistant treasurer of the Prudential Life, Newark, N. J.

The conference was to resume discussions interrupted last fall by the tax transfer problem. It is hoped that it will indicate lines on which a refunding could develop to solve Alberta's long standing debt problem. How long the delay may last is not known yet but it should not be many weeks.

Government representatives on the conference were to be Hon. S. E. Low, government chairman and provincial treasurer, Hon. E. C. Manning, Hon. W. W. Cross and J. P. Percival, deputy provincial treasurer.

Soo Line Reorganization Plan Progresses

Time permitted for petitions for modification of the plan of reorganization for Minneapolis St. Paul & Sault Ste. Marie Railway, as approved by the Interstate Commerce Commission, has expired.

After final decision by the I.C.C. a plan will be submitted to the courts for a vote of security-holders entitled to participate.

Equity control of the Soo Line rests with Canadian Pacific Railway which, under the plan, will receive a small amount of new stock in return for its present holdings, together with the option of purchasing an additional block at a fixed price.

B. C. Employment At New Peaks

From Our Own Correspondent

VANCOUVER.—More men are at work today in the industries of British Columbia than at any other time in the province's history. In the iron and steel trades, bulwark of the rapidly expanding steel shipbuilding industry, employment has risen some 250% in the past year. In Vancouver alone the climb has been 32% for all industries.

In many industries there is an actual shortage of labor, resulting in curtailed production of logs and lumber and the threat of severe reduction in pulp and paper output.

The Okanagan fruit country, which has previously stood out stubbornly against incursions of Japanese labor from the coast, indicates that it may change its policy in the face of a threatened critical shortage of harvest hands, with a record crop in prospect.

Hunt's Opening New Outlet

Present restaurant policy of Hunt's Ltd. is maintaining its outlets at key Toronto points. This follows a programme which brought closing of some restaurants to whip company operations into more profitable shape, a phase which now seems to be over.

A "snack bar" is being opened at the central Bloor and Yonge Sts. location which will bring the total of Hunt's restaurants up to 12. No further increase in the number of restaurants is contemplated at present. One of the confectionery stores in the east end of the city is being moved to a near-by location where more space is available.

General business of the company is understood to be holding at a satisfactory level.

Wheat Prices

Winnipeg Grain Futures

Week to May 18, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close May 18
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77⅛	July	.80⅜	.80⅜	.80⅜
		Oats			
.51⅛	.38⅛	May	.51⅛	.51½	.51⅛
.51¾	.42⅛	July	.51½	.51½	.51½
.50⅝	.46	Oct.	.50⅝	.49⅞	.49⅞
		Barley			
.64¾	.49⅜	May	.64¾	.64¾	.64¾
.64¾	.55⅛	July	.64¾	.64¾	.64¾
.63⅞	.37	Oct.	.63¾	.63⅜	.63⅜
		Rye			
.67⅜	.51¾	May	.63⅞	.62¼	.62¼
.66⅝	.60⅜	July	.64⅝	.62¾	.62¾
.66⅝	.63¼	Oct.	.65⅝	.64	.64

Cash Quotations

	For Week May 18 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.79¼	.79¼	.79¼	.79¼
1 Nor.	.79¼	.79¼	.79¼	.79¼
2 Nor.	.76¼	.76¼	.76¼	.75¼
3 Nor.	.73½	.73⅛	.73⅜	.73½
4 Nor.	.72	.71¾	.72	.72
5 Wheat	.70	.69¾	.70	.70
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¼	.65¼	.65¼
Oats:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51	.50½	.48½
Barley:				
1 Feed	.63	.61¾	.62⅛	.60¾
2 Feed	.62¾	.61½	.61⅜	.60⅜
Rye:				
2 C. W.	.63⅞	.62¼	.64⅜	.63½

Wheat Visible Drops Further

From Our Own Correspondent

WINNIPEG. — Visible supplies of Canadian wheat decreased last week by nearly eight million bushels, bringing the total down under 423 million bushels. This supports the suggestion that the year-end carryover may be as low as 400 million bushels, quite possibly even lower.

No exact predictions as to wheat disappearances during the remainder of the crop year up to July 31 can be made. Overseas shipments may be heavy or light, depending upon the British shipping control. Wheat reserves in England are understood to be sufficiently large to permit a good deal of elasticity in the volume of weekly shipments.

Canada Ships Seed Potatoes

Argentina and Uruguay Get Major Needs From This Country

Canada supplied 81.1% of Argentina's total imports of seed potatoes in the past year. Out of 143,754 bushels imported, Canada supplied 119,192. In the previous year Canada supplied 70% of the 422,436 bushels imported.

Under current conditions Canada can at best expect to supply only those quantities of seed required as foundation stock for Argentina production, the Department of Trade and Commerce reports. The amount supplied in any one year will largely depend on the returns growers receive for their seed and table-stock potatoes, prices in September to October and prospects for sales in the next season. Record production of table potatoes was reported for Argentina in the season just closed.

Canada supplied all of Uruguay's import of seed potatoes in 1940-1941 for January planting, amounting to 124,181 bushels. Uruguay is expected to be in the market again this year for certified seed.

Both countries favor the Katahdin variety, owing to its resistance of certain viruses and adaptability to varied climatic and soil conditions.

Operating Ratios Register Decline

From Our Own Correspondent

MONTREAL.—Both rate of production and shipments of newsprint paper recorded relatively sharp decline in Canadian mills during April. According to the Newsprint Association of Canada, production last month at 75% of capacity dropped from 79.9% in March, and compared with 76.7% in April last year.

Shipments last month represented 64.4% of capacity, as against 83.2% the previous month, and 78.2% in April, 1941.

(% of Capacity)

	Production 1942	Production 1941	Shipments 1942	Shipments 1941
Jan.	84.3	71.5	78.9	66.6
Feb.	81.4	72.9	77.4	71.1
Mar.	79.9	75.5	83.2	72.8
Apr.	75.0	76.7	64.4	78.2
May		73.1		76.8
June		77.9		80.3
July		80.4		82.2
Aug.		80.2		81.3
Sept.		84.9		86.9
Oct.		84.1		80.3
Nov.		85.5		91.4
Dec.		82.4		87.4
Year		78.9		79.6

American Editors To Visit Canada

Editors of non-metropolitan weekly and daily newspapers in the United States will cross the border next month to get a comprehensive picture of Canada's war effort.

They have chosen Quebec as the scene of the annual convention of their National Editorial Association, to be held June 21 to 23. About 500 will attend.

R. B. Howard, London, Ohio, is president of the group, which has a large membership throughout America.

"I am quite sure," he told The Financial Post, "that this is a splendid opportunity for Canada to tell the editors of non-metropolitan daily and weekly newspapers the story of what Canada is doing."

B. C. Setting the Pace in Frill Cutting

(Continued from page 9)

agreement on closing hours; 5. Consumer education by use of stickers on parcels and newspaper advertising to carry out the foregoing aims.

Unless sponsored by patriotic organizations, the ladies' wear and specialty shops will eliminate all style shows if their plan goes through. The same trade would also discontinue advertising new merchandise at a discount at the beginning of the season.

No more than four sales would be held throughout the year and a board of retailers would be set up to determine when such sales should be held, its decisions to be binding on all engaged in the classification of trade.

In the ladies' wear shops all store decorations which show a tendency to overelaboration would be simplified. In Vancouver the Downtown Merchants Association is currently carrying on a campaign to promote the curtailment of store deliveries wherever possible. Joint co-operative deliveries to the suburban districts is being pushed.

In the same field, there will be no more goods or merchandise sent on approval and return pick-ups are to be cancelled. The laying away of goods for periods exceeding three months is to be eliminated and there will be no C.O.D. deliveries under $1 except for shut-ins or sick persons.

The ice distributors were among the first in Vancouver to curtail deliveries. Now they have eliminated all deliveries of less than 50 pounds each and only two deliveries a week are made.

So much for the retail trade. In the wholesale groups the Vancouver Board of Trade has set up 15 classifications with a chairman for each, representing some 150 firms, the object being to conserve motor vehicle equipment and effect general business economies wherever possible. As a result of this programme tobacco and candy jobbers make only one sales call and delivery per week in suburban areas and two sales calls and deliveries per week downtown.

They have also frozen sales outlets. No jobber will canvass or deliver to any account not on his books prior to March 25 unless to a new retail outlet; that is to say, to a store opened in premises not before so used or a change of ownership in an existing store.

Wholesale grocers have adopted one delivery weekly to all retail distributors; three deliveries a week to downtown restaurants. Savings in packing room costs are being effected by installation of minimum shipping units. Salesmen's calls are limited to one a week. As regards credit, there is a minimum of 15 days, to be paid by the 10th and 25th of each month.

In the wholesale hardware trade, deliveries have been cut to one a day to retailers, and a 48-hour service has replaced "prompt delivery." A minimum delivery order is fixed at $5, wholesale value. To save rubber and gas, salesmen have been advised to use trains and boats wherever possible, with joint travelling arrangements made in cases where firms are non-competitors.

Laundries intend to make only one delivery a week for household accounts, with pickups at the same time. Special deliveries are out.

Wholesale drygoods merchants have reduced travellers' calls by discouraging small orders and curtailing the variety of packaging. Photo finishers who were giving an eight hour service now give 24-hour service and even more drastic steps may be taken.

The British Columbia housewife has accepted the innovations without protest, realizing that they are reasonable and aimed at the common objective of conserving time, man power and materials for the national effort.

What is being done on a big scale in Vancouver is also being done in other B.C. centres.

One of the major factors in getting this voluntary co-operation of business is, of course, the fact that those required to make the changes were quick to realize that the programme would enable them to observe the price ceiling and maintain a working margin of profit in spite of uncontrollable wartime conditions.

It was readily evident to virtually everybody that there was much to be gained by co-operation; much to be lost by resistance and non-confirmity.

Spark plug behind this community effort is George T. "Ted" Williams, Kamloops-born business specialist, who is the western representative of the Division of Simplified Practice. He serves under W. R. "Dick" Dowrey, regional representative of Donald Gordon, whose rapidly expanding offices in Vancouver's Marine Building have become the headquarters for administration of the board's business policies.

"You're going to get used to economy, and eventually you're going to like it," he recently told a business group.

What surprises him now is how well they like it.

DIVIDEND NOTICES

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 50c per share in Canadian Currency, has been declared, and that the same will be payable on or after the 1st day of June, 1942, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 57 at:—

THE ROYAL BANK OF CANADA, King and Church Streets Branch, Toronto, Canada.

The payment to Shareholders of record at the close of business on the 19th day of May, 1942, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 29th day of May, 1942.

The transfer books will be closed from the 20th day of May, to the 1st day of June, 1942, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire and China is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an Authorized Dealer i.e. a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted, may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed to The Royal Bank of Canada, King and Church Streets Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By order of the Board,
J. R. CLARKE, Secretary.
56 Church Street, Toronto 2, Canada.
15th May, 1942.

IMPERIAL OIL LIMITED

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 25c per share in Canadian currency, has been declared, and that the same will be payable on or after the 1st day of June, 1942, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 57 at:

THE ROYAL BANK OF CANADA King and Church Streets Branch, Toronto, Canada.

The payment to Shareholders of record at the close of business on the 18th day of May, 1942, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 29th day of May, 1942.

The transfer books will be closed from the 19th day of May to the 30th day of May, 1942, inclusive and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or The Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire and China is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an Authorized Dealer, i.e., a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Streets Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By order of the Board,
W. J. WHITLING, Secretary.
56 Church Street, Toronto 2, Canada, 18th May, 1942.

FEDERAL GRAIN LIMITED

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

Since 1857
James Richardson & Sons LIMITED
Grain Merchants
Shippers and Exporters
HEAD OFFICE WINNIPEG
Branches Throughout Canada

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 243

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the paid-up capital stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of June next, to shareholders of record on May 15th, 1942.

By Order of the Board.
B. S. VANSTONE, General Manager.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum), has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 30th day of May, 1942. This dividend, bearing the number 205, will be payable at the Main Office or at the branches of the Bank, on or after the first day of June, to the shareholders of record on May 15th.

By order of the Board.
CHARLES ST-PIERRE, General Manager.

Macassa Mines

LIMITED
(No Personal Liability)
DIVIDEND NO. 28

Notice is hereby given that a dividend of eight cents (8c) per share has been declared on the issued capital stock of the company for the quarter ending June 30th next, and will be payable on June 15th to shareholders of record May 30th, 1942.

By Order of the Board.
L. SOLIAGUE, Secretary.
Toronto, May 18th, 1942.

Lake Shore Mines Limited

(No Personal Liability)
DIVIDEND NO. 89

NOTICE is hereby given that a dividend of Twenty Cents per share, on the issued capital stock of the Company, will be paid on the fifteenth day of June, 1942, to shareholders of record at the close of business on the first day of June, 1942.

By order of the Board.
KIRKLAND SECURITIES LIMITED, Secretary.
Dated at Kirkland Lake, Ontario, May 15th, 1942.

Hard Rock Gold Mines Limited

(No Personal Liability)
DIVIDEND NO. 6
(Interim)

NOTICE IS HEREBY GIVEN that an interim Dividend of three per cent (i.e. 3c per share) on the outstanding Capital Stock of the Company has been declared payable June 17th, 1942, to Shareholders of record at the close of business June 1st, 1942.

BY ORDER OF THE BOARD.
W. S. WALTON, Secretary.
May 13th, 1942.

Royalite Oil Company, Limited

NOTICE OF DIVIDEND NUMBER TWENTY-EIGHT

NOTICE is hereby given that a regular Dividend of Fifty Cents per share has been declared payable to shareholders of the Company, of record as such on the books of the Company, at the close of business on Monday, the 18th day of May, 1942, and that the said Dividend will be payable on or after Monday, the 1st day of June, 1942.

THE Register of Transfers will be closed from the close of business on Monday, the 18th day of May, 1942, until the opening of business on Tuesday, the 26th day of May, 1942.

By Order of the Board,
R. D. MERCER, Secretary.
CALGARY, Alberta, 15th day of May, 1942.

DIVIDEND NOTICES

Ventures Limited

25 King Street West, Toronto
DIVIDEND NO. 13

NOTICE IS HEREBY GIVEN that a dividend of 5 cents per share has been declared by the Directors of Ventures Limited, payable in Canadian funds on June 30th, 1942, to shareholders of record June 16th, 1942.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By order of the Board.
H. WHITTINGHAM, Secretary-Treasurer.
May 18th, 1942.

MacKinnon Steel Corporation Limited

Dividend Notice

NOTICE IS HEREBY GIVEN that a dividend of One and One-Quarter per cent (1¼%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Steel Corporation Limited, payable June 15th, 1942, to shareholders of record May 30th, 1942. This is a payment on account of arrears of preferred dividend.

By Order of the Board of Directors,
J. G. SCORER, Secretary.
Montreal, May 15th, 1942.

Brazilian Traction, Light and Power Company, Limited

Notice is hereby given that the Board of Directors of this Company has declared a dividend of 40 cents per share on the Company's issued Ordinary Shares of no par value, payable on the 18th July, 1942, to shareholders of record at the close of business of the 30th May, 1942. Payment of this dividend to non-residents of Canada will be subject to deduction of the Canadian Non-resident Income Tax.

In the case of shares in the form of share warrants to bearer, the above dividend is represented by coupon No. 69. As most of the share warrants to bearer of the Company have been held in Continental Europe (chiefly in Belgium), the Custodian of Enemy Property in Canada has ordered that no coupon detached from any share warrant to bearer of the Company shall be paid by or on behalf of the Company without reference to him. Holders of share warrants, therefore, wishing to claim their dividends should forward their coupons to the Company at its office, 25 King Street West, Toronto, Canada, or to the English Agents of the Company, Canadian & General Finance Company, Limited, 99 The Drive, Hove, Sussex, England, accompanied by the Canadian Custodian Form G (copies of which can be obtained from any Bank in Canada and from the English agents of the Company above referred to), and if the Custodian's consent is received a cheque in Canadian currency will be forwarded to the holder for the value of the coupons against cancellation thereof, subject to the deduction where applicable of the Canadian Non-resident Income Tax.

Dated at Toronto, Canada, the 14th day of May, 1942.

By Order of the Board.
A. W. ADAMS, Secretary.

Note: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada, who should be notified promptly of any change of address.

ASSOCIATED BREWERIES OF CANADA LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 55) of 1¾% upon the outstanding Preferred shares of the Company has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the First Day of July, 1942, to Shareholders of record at the close of business on the Tenth Day of June, 1942.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 53) of twenty-five cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Thirtieth Day of June, 1942, to Shareholders of record at the close of business on the Tenth Day of June, 1942.

By Order of the Board.
I. N. WILSON, Treasurer.
Calgary, Alberta, May 16th, 1942.

Ventures-Sudbury to Merge?

Details Yet to be Worked Out—To Call Meetings

Originally proposed many years ago, a merger of Ventures Ltd. and Sudbury Basin Mines appears likely to be consummated shortly. Information concerning a proposed merger was given to shareholders of both companies at their annual meetings this week and it was also announced that both companies would shortly call special meetings to pass on the proposal.

Details of the merger—which in practice will mean absorption of Sudbury Basin by Ventures—have not yet been worked out but it is expected that shares of Ventures will be issued to minority shareholders of Sudbury Basin. Ventures Ltd., which is the largest shareholder, will presumably cancel its shareholdings on taking over Sudbury Basin's assets.

How Share Position Stands

Ventures at present has an authorized capital of 2 million shares of which 1,573,951 shares are issued and outstanding. Sudbury Basin has issued and outstanding 1,689,505 shares of which 1,049,110 shares are held by Ventures, leaving 640,395 Sudbury Basin shares outstanding in the hands of the general public. Ventures can thus muster 426,049 unissued shares for exchanging with the 640,395 shares of Sudbury Basin outstanding in the hands of the public. On the basis of the respective market values of the two companies' stocks, the available unissued stock of Ventures would appear to be adequate for meeting the exchange involved without any increase in Ventures authorized capital of 2 million shares.

Taking the market values as of early this week, the unissued stock of Ventures might be considered as having a theoretical value of $1.4 million, as compared with a total market value of $790,000 placed on Sudbury Basin shares in the hands of the general public.

Another Basis Possible

It may be general asset values, however, and not actual market values may be used in determining the basis of any share exchange. The market value of Ventures shares at the present time probably does not reflect fully the market value of assets behind Sudbury Basin shares it holds and this situation may have to be taken into consideration on working out the basis of exchange.

Officials realize that working out an equitable plan for amalgamation will be difficult and interested shareholders have been invited to forward suggestions to assist arriving at a satisfactory plan.

There are several reasons why officials are anxious to have Ventures and Sudbury Basin merge their interests. Both companies have almost identical boards of directors and as an accompanying table shows, main interests are very similar also. By merging the two companies, handling of affairs will be greatly facilitated and a considerable saving of expense is possible. The expense of keeping an additional company in existence would be eliminated and possibly a small saving in taxes might result.

Speaking of the operations of Ventures generally, President Thayer Lindsley stated at the company's annual meeting that in view of anticipated smaller dividend income from Falconbridge this year, he was doubtful if a 10-cent dividend payment could be made by Ventures for the second quarter of the year. Later in the day it was announced that a dividend of 5 cents a share had been declared, payable June 30 to shareholders of record June 16. Falconbridge is carrying out major expansion at the request of the Dominion Government and while its property is stated to remain in excellent physical condition, income available for dividends has been limited.

Sees Gold's Future Bright

When times return to normal, Mr. Lindsley stated that he was convinced the opportunity for progress by the gold mining industry would be very great. War has created temporary difficulties, he said, and while dividends may have to be reduced in certain of the companies' mines, directors would only reduce dividends when forced by conditions beyond their control. La Luz is expected to be the greatest source of income when necessary supplies for expansion are secured.

Involved in Proposed Merger

	Ventures holds now shares	Ventures interest	Sudbury Basin holds now shares	Sudbury Basin interest	Combined interest
American Nepheline	886,318	78.88%	43,684	3.89%	83.77%
Beattie	2,120,167	42.40	47,400	.95	43.35
Canadian Malartic	468,373	12.83	882,882	24.18	37.01
Coniaurum	1,430,000	51.68	......	....	51.68
Eureka Corp.	3,375	35.40	1,446	15.16	50.56
Falconbridge	1,319,930	39.55	1,188,810	35.62	75.17
Hoyle	1,547,712	30.96	474,174	9.48	40.44
Lake Dufault	1,036,000	44.83	108,000	4.67	49.50
La Luz	779,758	57.51	280,787	20.71	78.22
Matachewan Cons.	930,655	27.13	936,172	27.29	54.42
Sherritt Gordon	......	....	254,690	4.34	4.34
Sudbury Basin	1,049,110	62.10	......	....	....

Dominion Tests Shales As Oil Hunt is Pressed

That the Dominion government views the problem of increased domestic supplies of oil in Canada as of great importance has been revealed more than once in recent weeks by steps taken by the government to assist possible location of new sources of supply.

Tax concessions have been given in at least two instances to secure extension of exploratory drilling, Consolidated Smelters has been interested in determining possibilities of the Athabasca tar sands as a possible oil source for this war, assistance is being considered for further oil exploration in the Peace River area and, as revealed in the House of Commons last week, exploration of New Brunswick oil shale deposits is being carried out.

N.B. Acquires Shale Rights

The shale deposits are being explored in partnership with the Province of New Brunswick and it is planned to carry out a thorough investigation to determine the probable quantity of oil available and the pertinent facts in relation to its development.

According to Hon. C. D. Howe, Minister of Munitions and Supply, early exploration of the New Brunswick shale deposits has been held up by the fact the deposits were controlled by private interests. However, the New Brunswick Government has now secured the title, allowing exploration to proceed.

Plans Were Ambitious

Some time ago, private interests controlling shale oil deposits in New Brunswick had planned to spend some $8 millions to carry out development of their tested known shale deposits. Installation of a plant to produce electric power, ammonia nitrate (or ammonia sulphate) oil and oil products was proposed.

Turning out oil from oil shales is not being carried on in Canada, but has been undertaken in other parts of the world. It is understood that some time ago, use of an extraction process similar to one backed by the government of Australia was under consideration by the private company mentioned. This process was reported to be a distinct improvement on the processes used in Estonia and Scotland. Removing the oil from shales is a retorting proposition. The private interests had anticipated the possibility of turning out 100,000 to 120,000 tons of motor fuel and an additional 24,000 tons of ammonia nitrate per annum.

Would Help Maritimes

If an important source of shale oil could be developed in New Brunswick, it would relieve a stringent supply situation. New Brunswick's present production of crude oil which is very small comes from the Stony Creek field, near Moncton. It is not believed any further production is secured in neighboring Province of Nova Scotia or Prince Edward Island.

Supplying the Maritimes with oil is now a tanker or rail problem and development of a domestic supply of oil would help relieve the burden on already overtaxed transportation facilities.

Cutting of the gasoline ration in the Maritimes lately has revealed just how difficult the supplying of oil to this area has become under war conditions.

Ft. Norman Oil For Alaska Rd.

Construction of the Alaska highway has brought a great extension of activity at the Fort Norman oil field of Imperial Oil for it is planned to have a large part of the oil for the new highway supplied by this field located on the lower Mackenzie River.

Preparations are now actively under way to have the oil ready when needed, it is understood. Additional wells are being drilled, refinery capacity is being increased, and a short pipe line is being installed to carry the oil across to the location of the new highway.

Quebec Mines Department Speeds War Metal Search

Outlining possible deposits of urgently required war metals will be the objective of geological work to be carried out by the Division of Geological Surveys of the newly organized Quebec Department of Mines this coming season.

Altogether 15 parties will take the field toward June 1 and investigations will be carried on until fall. Zinc, copper, tin, manganese, scheelite (the ore of tungsten), lead molybdenum, iron, mica, apatite, fluorite are some of the minerals on which geological work will be directed. Non-metallic mineral investigations are to be carried on by the geologists and oil and gas structures are to be investigated.

Investigate Normetal Area

One party, under Dr. C. T. Tolman, is to carry out an investigation of the Clermont-Desmeloizes area, Abitibi County, in the section east of the Normetal mine, previously studied in 1941. The object is to assist exploration of zinc, copper and other mineral resources.

Party Two

Mapping is proposed for the Romaine River area. Last year copper-bearing minerals were discovered in this area by a Quebec Department of Mines geological party. It is probable that several prospecting parties will be in the area during the coming season, and it is desired to obtain further information, to follow developments and to guide exploration. Dr. W. W. Longley will head this work.

To Seek Tin

Although the possibilities for finding tin are considered remote, every effort will be made to find this urgently required metal and W. J. Lynott will lead a tin hunt in the west part of Quebec under the direction of Dr. F. F. Osborne. Dr. Carl Faessler will direct a search for tin in the eastern part of Quebec.

Plans call for bringing up to date information on bog deposits of manganese. This work is to be carried out by G. F. Waddington.

The search for scheelite is being continued under the direction of Dr. B. T. Denis.

Look at Oil Chances

The Gaspé area is to be investigated for oil and gas possibilities and for possible lead and zinc deposits. Considerable research work on oil and gas structures has been done and this work will be continued by Dr. H. W. McGerrigle.

Detailed mapping and structural study of the lead and zinc deposits of the Cascapedia River, Gaspé, are to be carried out. It is intended to make a careful appraisal of the possibilities with a view to encouraging rapid development should the war situation necessitate such a step. W. G. Wahl will carry out the field work under the direction of Dr. J. E. Gill.

Mica Gets Attention

In the search for mica, apatite and fluorite, it is planned to make a geological study of a small area around a mica deposit at Petit Pré from which comes a variety of mica especially useful for the manufacture of airplane spark plugs. It is also desired to assist in the development of Quebec phosphate deposits in order to avoid the necessity of burdening transportation facilities with imported material.

Fluorite is urgently needed for the steel and aluminum industries and it is planned to visit all known occurrences and if feasible to search for more.

The party carrying out this work may be called upon to investigate other non-metallic mineral deposits such as barite, graphite, etc., and will collaborate with P. E. Bourret, Non-metallic Mineral Technologist of the Department. The chief of the party will be Dr. W. W. Moorhouse.

Structures favorable for oil are to be sought on the south side of the St. Lawrence River under the direction of Professor T. H. Clark of McGill University.

The party to carry on investigation of molybdenite deposits will be under W. N. Ingham.

Extend Iron Work?

Dr. P. E. Auger will examine the iron deposits in different parts of the province in order to supplement and to bring available information up to date. Some geophysical work may be carried out if the preliminary geological examination so suggests.

An investigation will be made of the serpentine belt in Talon township. It is planned to make a detailed geological map of a small area there in order to guide exploration and development of a number of asbestos prospects. No chromite has been reported from this area. Dr. Auger is taking on this assignment in addition to his work in iron prospects.

The examination of mining properties under exploration and development in western Quebec is to be continued by S. H. Ross while P. E. Bourret will do the same work in southern Quebec, mainly in the non-metallic field.

Mining Company Reports

McVittie-Graham

A holding of 430,360 shares of Conwest Exploration Co. continues the main holding of current interest of McVittie-Graham Mines aside from the treasury position of over $150,000 shown below.

During 1941, Conwest (in which McVittie's interest is over 30%) received $27,550 in dividends and $3,000 as a management fee from Mount Zeballos Gold Mines. Conwest's loss, after all charges, was $50,248. Conwest working capital at the end of 1941 was approximately $25,000. Mount Zeballos, which Conwest controls, expected to discontinue milling in June but Willow Creek Mines, another Conwest subsidiary, had over a year's ore on hand at the end of 1941.

Income and Expenditure Account
Years Ended Dec. 31

	1941 $	1940 $
Interest & dividends	9,674	7,390
Profit on invests.	....	17,758
	9,674	25,148
Less: Gen., admin. exp.	4,428	4,522
Net income	5,246	20,626
Prev. deficit	1,892,358	1,912,983
Deficit forward	1,887,112	1,892,357
No. of Shs. Outstand.	3,500,000	3,500,000
Working Capital		
Current assets*	157,224	164,287
Current liabilities	487	......
Working capital*	156,737	164,287

*Taking securities at market value.

Omega Gold Mines

While net profit of Omega Gold Mines was only $15,310 in the year ended Mar. 31, 1942, the company reduced advances from Castle Trethewey Mines by $75,000 to $200,000 out of operating profits.

Grade of ore developed to date is stated to have been disappointingly low but substantial progress has been made in reducing indebtedness; ore milled was replaced during the year.

A total of 171,916 tons was milled for average recovery of $5.16 a ton. In reserve at Mar. 31, 1942, were 425,000 tons grading 0.16 oz. gold.

No. 1 vein contributed more mill feed than any other individual vein last year. Considerable exploration in new sections was carried out.

Income and Surplus Account
Years Ended Mar. 31

	1942 $	1941 $
Bullion output (net)	876,401	876,881
Less: Development	107,596	112,848
Mining	422,046	412,936
Milling	195,704	210,724
Admin. expense	5,974	5,516
Taxes	5,250	3,556
Oper. earnings	139,830	131,301
Less: Depreciation	124,520	122,208
Net profit	15,310	9,093
Add: Prev. surplus	160,473	152,289
Less: Adjustment	......	909
Surplus forward	175,783	160,473
Earnings Per Share and Dividend Record:		
Earned	$0.003	$0.002
None paid.		
No. of Shs. Outstand.	5,000,000	5,000,000
Working Capital		
Current assets	241,122	176,452
Current liabilities	66,981	48,756
Working capital	174,141	127,696

McIntyre Porcupine

The fact dividends continued to be earned by a substantial margin by McIntyre Porcupine Mines in the year ended Mar. 31, 1942, gives a better appreciation of the policy followed in past years, President J. P. Bickell advises shareholders in the annual report. Other companies have been forced to reduce dividends because of high costs and taxes, but McIntyre has been able to continue its dividend policy.

Earnings last year at $3,425,959 were equal to $4.29 a share compared with $4.76 a share in the preceding year.

After disbursing dividends at the usual rate, working capital was approximately $400,000 higher at $18,852,314, taking securities at market value. Working capital is now equivalent to approximately $23 a share.

After treating 862,500 tons of $11.12 grade ore in the 1942 period, reserves were 4,392,435 tons of $11.60 grade (gold at $35 an ounce). Porphyry veins continued to contribute to new ore last year.

Results at the Belleterre Quebec subsidiary continue promising, it is stated, and it is expected that for the last fiscal year a profit of $400,000 will be shown after $300,000 for taxes and depreciation. All advances have been retired but this year's earnings will be largely required for improvement of the hydro-electric system.

While unit costs continue their upward trend, Mr. Bickell stated that the company is endeavoring by improved milling facilities and other means to control this situation.

Income and Surplus Account
Years Ended Mar. 31

	1942	1941
Bullion output	9,123,887	9,452,491
Less: Marketing	101,768	104,489
Net production	9,022,119	9,348,002
Less: Min. & devel.	3,938,029	3,761,048
Crushing, milling	692,539	680,374
Admin. & gen. exp.	100,570	92,868
Stock transfers, etc.	7,992	9,634
Taxes	1,473,276	1,530,141
Oper. earnings	2,809,713	3,273,937
Add: Int. & divds.	797,774	719,812
Miscellaneous	4,253	14,273
Total net earnings	3,611,740	4,008,022
Less: Depreciation	179,635	188,990
Outside explor. w/o.	6,146	22,020
Net profit	3,425,959	3,797,012
Less: Dividends	2,657,340	1,771,560
Prem. on U. S. funds	......	16,483
Surplus for year	768,619	2,008,969
Add: Prev. surplus	15,702,673	13,821,179
Less: Addit. taxes	......	122,076
Sundry adjusts.	3,285	5,399
Surplus forward	16,468,007	15,702,673
Earnings Per Share and Dividend Record:		
Earned	$4.29	$4.76
Paid	3.33	3.22
No. of Shs. Outstand.	798,000	798,000
Working Capital		
Current assets*	21,274,621	20,790,075
Current liabilities	2,422,307	2,346,076
Working capital*	18,852,314	18,443,999

*Taking securities at market.

Powell Rouyn

A sharp improvement in earnings was shown by Powell Rouyn Gold Mines in the year ended Mar. 31, 1942. Profit of $112,133 was equal to 9 cents a share compared with only $18,751 the previous year.

Following completion of a favorable treatment contract with Noranda Mines, all ore is now being sent to the Noranda smelter and the company's own mill has been closed down. This removes many difficulties of procurement of supplies, it is stated.

In year ended Mar. 31, 1942, 341,919 tons of ore were mined grading 0.119 oz. gold with over half the tonnage going to Noranda. Ore reserves remain substantially unchanged at 720,743 tons of 0.128 oz. grade as at Mar. 31, 1942.

The best ore showing during the year was made at the bottom or 1,550-ft. level. Mining of ore is to be undertaken from the new shaft on the South Powell vein.

Income and Surplus Account
Year Ended Mar. 31

	1942 $	1941 $
Bullion recovery	1,455,073	972,274
Less: Milling & mktg.	315,434	227,781
Develop. & explor.	118,828	66,361
Mining	623,963	462,466
Mine management	23,473	18,553
Mine office	14,165	9,969
Workmen's' compen.	19,234	13,682
Sundry surface exp.	18,097	12,296
H. O. expense	27,975	24,572
Operating profit	293,904	136,594
Add: Misc. income	1,300	3,966
Total net earns.	295,204	140,560
Less: Depreciation	120,999	88,209
Pre-prod. expense	25,473	25,474
Interest	2,990	2,612
Taxes	33,609	5,000
Loss on assets	......	514
Net profit	112,133	18,751
Add: Prev. surplus	453,786	442,409
Less: Tax adjustment.	......	7,374
Surplus forward	565,919	453,786
Earnings Per Share and Dividend Record:		
Earned	$0.09	$0.015
None paid.		
No. of Shs. Outstand.	1,250,000	1,250,000
Working Capital		
Current assets	371,034	218,328
Current liabilities	155,017	213,987
Working capital	216,017	4,341

Temiskaming

A net profit of $5,425 was realized by Temiskaming Mining Co. in the year ended Mar. 31, 1942. Interest and dividends received totalled $8,335 and after deducting taxes and general expenses, profit was as above.

Balance sheet as at Mar. 31, 1942, shows current assets of $120,124 including $104,316 of securities with market value of $115,100. Deducting current liabilities of $4,650, working capital was $115,474.

Castle Trethewey

Although a considerable decline in general security values took place last year, Castle-Trethewey Mines showed only minor shrinkage in its net liquid asset position.

Working capital at Mar. 31, 1942, was $2,341,605, about $150,000 lower than a year earlier, taking securities at market value. Net profit of $136,313 or 5 cents a share was realized in the year ended Mar. 31, 1942, and an additional $75,000 was gained from a reduction in Omega advances to $200,000. These advances are repayable without interest.

Income and Surplus Account
Years Ended Mar. 31

	1942 $	1941 $
Dividends & exchange	160,241	139,679
Sundry revenue	1,010	1,032
Less: Taxes	6,749	4,453
	154,502	136,258
Less: Gen. exp. at mine	1,325	1,305
Admin. expenses	12,700	12,938
Insurance	1,010	1,274
Taxes and rentals	554	5,256
Inc. taxes	2,600	......
Net profit*	136,313	115,485
Add: Prev. surplus	1,060,193	945,109
Profit on equip.	2,892	......
Less: Adjustments	134	401
Surplus forward*	1,199,264	1,060,193

*Before depreciation on plant and equipment.

	1942	1941
Earnings Per Share and Dividend Record:		
Earned	$0.05	$0.043
None paid.		
No. of Shs. Outstand.	2,709,002	2,709,002
Working Capital		
Current assets*	2,348,966	2,504,117
Current liabilities	7,361	8,295
Working capital*	2,341,605	2,495,822

*Taking securities at market value.

De Santis Porcupine

De Santis Porcupine Mines realized operating profit of $50,552 from $427,936 bullion produced in the period from Nov. 1, 1940 to Oct. 31, 1941. Balance sheet as at Feb. 28, 1942, shows deficit forward of $94,078.

As at Feb. 28, 1942, current assets totalled $47,071 against current liabilities of $46,273. Advances owing on mill equipment were $73,634 while $67,300 was owing on the Ogden property.

Installation of new equipment has cut tailing losses, offsetting to some extent cost-of-living bonus and higher costs for supplies. Shaft is now down approximately 1,200 ft. with emphasis to continue on further development.

In the three years to May 5, 1942, De Santis has turned out over $1 million in gold.

Canadian Pacific Earnings Rise

From Our Own Correspondent

MONTREAL.—Sharply increased gross and net earnings in March are reported by the Canadian Pacific Railway. Gross operating income advanced around 25% over the same month last year, while net returns were well in advance of 1941.

Gain in net was on much the same scale as in the preceding two months. For the three months gross earnings of $57.6 millions, were $12.2 millions higher than a year ago. Expenses advanced nearly $10.8 millions, leaving net profit just short of $10 millions, or about $1.5 million above that reported for the same quarter in 1941.

March

	1942 $	1941 $
Gross earnings	20,746,457	16,619,976
Oper. expenses	16,960,522	13,373,901
Net earnings	3,785,935	3,246,075
Three Months Ended March		
Gross earnings	57,644,844	45,412,660
Oper. expenses	44,660,833	36,892,254
Net earnings	9,984,011	8,520,406

Gatineau Power Co.'s outlook for 1942 is favorable inasmuch as excellent water conditions that prevailed during the latter part of 1941 had been maintained during the first four months of the current year, according to a statement made at the annual meeting by G. Gordon Gale, president.

The company is working on a plan, said Mr. Gale, to increase production at its Bryson property on the Ottawa River. This is in connection with increased requirements of Ontario Hydro. While it is understood no definite agreement has been signed, the proposal is to install an additional 25,000 h.p. unit at the Bryson plant.

Westinghouse Neon Co., subsidiary of Canadian Westinghouse Co. is offering its assets for sale by tender. Tenders will be received up to May 21 for rental and maintenance contracts, bills and accounts receivable, office equipment, complete neon tube plant, motor trucks and miscellaneous articles.

The Week In Oils

From Our Own Correspondent

CALGARY.—Major oil companies are joining forces with independent Alberta oil operators in the vital task of searching for and opening up new sources of crude oil in the Canadian west. The Shell Oil group has joined forces with the R. A. Brown interests in a search for oil in the Castor area, while Imperial Oil has joined with a group of Alberta rancher-oilmen in testing the Jenner area.

Drilling permit was issued a few days ago for Shell Oil of California's first Alberta drill-test, to be drilled under the name Shell-Chinook Castor No. 1. The site is in L.S.D. 5 28-37-13w4, some 3½ miles east and slightly south of the town of Castor on the central Alberta plains. Rotary equipment arrived at the site a few days ago from California, and rigging up is now under way.

* * *

The Castor Venture

It was learned on good authority that Shell's initial Alberta venture is being conducted jointly with the R. A. Brown interests, who have been among the leading independent oil operators in the province for many years. It was the Brown interests, it will be recalled, which opened up the Turner Valley west flank for large-scale development back in 1936 by the successful completion of Turner Valley Royalties No. 1. Until now, the principal activity of the group outside of Turner Valley has been the Jumping Pound area.

While the details of the joint development agreement for Castor are not yet known, it is understood that the development is being undertaken by Shell Exploration (Alberta) Ltd., subsidiary of Shell of California, and Chinook Oils Ltd., one of the companies organized and controlled by the Brown interests. How much acreage is covered by the joint agreement is not yet known, but Shell Exploration controls a total of 285,000 acres in the general Castor area.

* * *

Jenner Well Drilling

The Jenner area being drilled by the Imperial Oil group, in association with a syndicate of Alberta rancher-oilmen, is a central Alberta plains area long talked of in oil circles as a "good prospect for oil and gas production." The joint operators are Northwest Co., Imperial Oil development subsidiary, and Jenner Syndicate, organized a year or more ago by Rancher-oilmen Jack Drumheller and Jack Dillon. The first test, to be known as Northwest-Jenner No. 1, has been staked in L.S.D. 2 15-22-9w4, eight miles due north of the Jenner railway point, just north of the Red Deer River.

The Jenner test was spudded in last Friday, and is now making hole below 279 ft. The rig being used is the light portable rotary last used at Northwest-Tilley No. 4, in the Tilley area 36 miles to the south and west. The new test is being drilled on a Crown reservation of just over 40,000 acres, taken up by the Jenner Syndicate just over a year ago. The block is located in townships 21 and 22, ranges 8 and 9 west 4th meridian. The Jenner Syndicate has already done considerable preliminary work to define structure with half a dozen shallow core-drill test holes put down.

* * *

Big Foothills Well

The latest reports on the new North Turner Valley Extension producer, Foothills No. 12, continue to provide evidence that the well is one of the best producers in the field.

In 24 hours to 8 a.m. May 14 the well produced 1,085 bbls of crude oil, with casing pressure 1,736 lb., tubing pressure 796 lb., and gas-oil ratio 821 cu. ft. per bbl. In 24 hours to 8 a.m. May 15, the well made 994 bbls of crude oil, with casing pressure stepped up to 1,870 lb., tubing pressure at 800 lb., and gas-oil ratio 859 cu. ft. per bbl. The well received only 1,500 gallons of acid. It is now on test to determine the most efficient operating rate for steady production.

It is unlikely, of course, that the operator will want to take production steadily at as high a rate as at present, but there is no doubt that the well will receive an allowable among the top few in the field.

* * *

East Flank Looks Good

The belief that an oil productive east flank will be developed in north Turner Valley gained ground early this week when the first test to ever reach the Madison lime east of the structure crest drilled into an oil-bearing upper porous horizon.

Major Oil Investments No. 9, key test in L.S.D. 1 4-21-3w5, confirmed the top of the upper porous horizon at 7,815 ft., with government analysis showing good porosity down to 7,840 ft. At this depth the bit was still proceeding in the porous section, and making rapid progress.

While it is now reasonably certain that Major No. 9 is going to obtain production, it is not yet possible, of course, to estimate its productivity or to predict the length and breadth of the east flank productive area. Those are questions the bit has yet to answer.

* * *

New McColl Test

McColl-Frontenac Oil has staked its third well-site in the Oyen-Monitor-New Brigden area of central eastern Alberta, and got drilling under way last week end. The new well, to be known as McColl-Frontenac 16 18-29-5, is located in L.S.D. 16 18-29-5w4, a mile due west of the company's recently abandoned second test. The new test is understood to be lower on structure, standing a better chance of obtaining crude oil production. The previous test, it will be recalled, showed a fairly heavy dry gas flow in the Chert overlying the Madison lime.

Securities Trade Brings $6.8 Millions to Canada

Canada's international trade in securities in March this year resulted in net sales to other countries, or an import of capital, to the extent of $1.8 million. Total volume of both purchases and sales was substantially below those for January when the net sales balance was $5.1 millions. Total net sales for two months is $6.8 millions.

These figures do not include the large sale of outstanding securities in the United States effected by the National War Finance Committee in connection with the recent Victory Loan Campaign.

As has been the case practically since the outbreak of war, by far the greater proportion of this trade took place with the United States. All except about $56,000 of total sales of $5.3 millions were to purchasers in the States. Sales of United States securities amounted to about $1.2 millions of the net balance, $2.1 millions in sales resulting from our trade with the United States. Sales of Canadian bonds amounted to about $900,000 of which the largest part were Dominion issues.

British Columbia Electric Railway Co.'s rights to develop the power site on the Campbell River on Vancouver Island have been relinquished.

Back in 1931 the company, which is a subsidiary of B. C. Power Corp., filed plans with the provincial government for development of the site, which is rated as having a potentiality of 110,000 h.p.

Mining INVESTMENTS

Tungsten is known to occur in at least 200 veins in the Yellowknife area and it is not surprising to learn that further investigation of tungsten possibilities in this sector of the North West Territories will be carried out this summer.

Two Dominion geological parties are to survey possibilities further and the heads Dr. A. W. Jolliffe and Edward D. Kindle of Ottawa, have already arrived in Edmonton on their way to the north country.

Dr. Jolliffe is to survey the district east of Yellowknife while Dr. Kindle is to take his party into the Yellowknife-Beaulieu River area. The parties will stay in the north country for about six months.

* * *

J. E. Hammell has had outstanding success in developing his Hasaga property in the Red Lake area to a profitable producer. Putting up all the money for development and production personally, Mr. Hammell showed great initial confidence in this property and recent results appear to have justified his optimism.

Showing a profit of $315,862 in 1941, Hasaga wiped out indebtedness to Mr. Hammell and ended the year with nearly half a million tons of ore in reserve, or sufficient to keep the mill in operation another three years. Work on the bottom 1,600-ft. level has not disclosed ore, but if the ore is there, Mr. Hammell can be counted on to try and find it.

* * *

A patriotic duty is how President Thayer Lindsley of Ventures Ltd. regards the search for war metals. Ventures and its associated companies have been placing a proportion of their income in this type of investigation and Mr. Lindsley expresses the belief that demand for base metals is likely to continue for many years so that some of the wartime work now being done will be of perhaps great ultimate benefit.

* * *

Mining students from six universities—a total of 139—arrived last week in Sudbury to learn the practical end of mining in the mines and plants of International Nickel Co. The first arrivals are to be followed by others to a total of 350.

With the great level of activity now existing in Sudbury, some trouble is even being experienced finding accommodation for these students.

Practical experience in mining is an essential part of courses in mining—mining students learn mining under conditions little different from those of the average miner. For them, contact with their profession starts before graduation.

* * *

Non-ferrous metal exports of Canada set an all-time record in the first four months of 1942. The export figure of $92,696,000 represented a gain of more than $21 millions over the same four months of 1941 and more than $34 millions over the like period of two years ago.

This record plainly reflects the expansion of base metal production facilities in the Dominion to meet war requirements, but does not yet show the effects of much of the expansion arranged for last year. Part of the expansion in exports no doubt reflects greater aluminum production as well as greater output from metal mines.

Andian National Corp., pipe line subsidiary of International Petroleum Co., is paying its regular dividend of $1 a share in United States funds on June 1, 1942, to shareholders of record May 20. This time Andian National is omitting the 50 cents a share extra dividend which it has distributed along with each payment made in the last couple of years. This is the first time Andian National has not paid an extra along with its regular dividend since 1934.

Oil Royalties

Producing Wells — Prices and Payments

	May daily allow. bbls.	Apr. daily allow. bbls.	Jan. roy. pay. 1% $	Feb. roy. pay. 1% $	Mar. roy. pay. 1% $	Paid to Mar. 31 1% $	Dealers offering price† 1%
Ace No. 1 gross	522	553	303.71	268.38	264.90	2,194.33	$7,200
Alta. Oil Inc. No. 1 gr.	114	122	78.80	61.60	65.60	3,829.60	2,800
Do., 1 net	114	122	60.00	50.80	56.00	3,185.20	1,300
Do., No. 2 gr.	565	565	240.80	214.80	251.20	4,342.80	7,800
Do., No. 2 net	565	565	225.00	196.00	229.20	4,436.60	6,500
Allied No. 1 pfd.	100	100	37.21	36.71	50.17	442.26	1,600
Arrow No. 1 net	118	191	88.40	81.20	85.20	1,138.40	2,100
Do., No. 2 net	207	209	82.40	76.80	86.00	1,061.80	2,500
Atlas No. 1 net pfd.	130	135	....	....	....	......	1,600
Atlas-Br. D. No. 2 pfd.	750	752	....	....	....	......	10,600
D. & D. net pfd.	85	85	36.40	29.60	41.20	1,599.80	1,500
Drill. & Prod. No. 3 p.	150	175	....	....	....	......	3,750
Harris No. 2 gross	81	85	45.29	41.15	48.24	2,334.42	2,500
Do., No. 2 pfd. net	81	85	34.16	32.20	39.03	2,041.33	1,500
Independent No. 1 p.	250	250	131.93	114.30	152.64	1,169.23	4,300
Do., No. 1 gr.	250	250	98.34	85.29	109.66	1,358.30	4,000
Major Oil No. 1 pfd.	153	160	54.00	82.80	92.00	228.80	2,000
Do., No. 1 gr.	153	160	98.40	76.00	79.20	1,111.60	2,500
Do., No. 2 pfd.	744	759	525.60	483.20	485.20	2,194.80	8,000
Do., No. 2 gr.	744	759	394.40	358.80	367.60	2,598.00	10,400
Do., No. 2 dfd.	744	759	....	....	....	......	5,900
Do., No. 3 pfd.	872	936	691.20	648.80	638.40	2,578.40	9,700
Do., No. 3 gr.	872	936	504.00	464.00	456.00	2,524.40	....
Do., No. 3 dfd.	872	936	....	....	....	......	....
Do., No. 4 pfd.	536	585	....	....	185.60	185.60	6,800
Do., No. 4 gr.	536	585	26.80	483.60	341.20	851.60	7,000
Miracle No. 1 pfd. net	704	759	523.50	486.86	500.13	3,020.85	8,200
Do., No. 1 dfd.	704	759	....	....	....	......	6,800
Do., No. 1 gr.	704	759	375.05	336.43	347.22	4,187.66	10,600
Do., No. 2 pfd.	516	575	....	....	....	......	6,000
Royalite-Model 1 gr.	197	201	....	....	....	......	4,600
Sunset No. 1 gr.	103	105	52.29	47.15	52.23	6,711.05	1,900
Do., No. 2 gr.	85	85	40.36	36.64	43.15	3,835.01	1,900
Twin Valley No. 1 gr.	176	181	84.15	74.86	82.35	1,728.16	4,300
United Assets (deb.)	175	175	....	....	....	......	100
Vulcan Brown gr.	143	141	80.80	110.50	85.70	7,887.05	4,300
Do., net	143	141	45.52	63.00	52.16	5,110.48	3,100
Winalta No. 1 pfd.	105	106	62.80	53.20	72.80	3,130.70	1,500
York No. 1 gr.	92	94	50.64	47.43	46.69	4,600.17	2,250
Do., No. 2 gross	80	85	36.00	33.60	43.55	1,601.15	2,250

†Usually approximately 20% over dealer's bid prices.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%
Adanac pfd.	3,316	*$4,375
Admiral No. 1 pfd.	4,650	*4,375
Admiral No. 1 gross	4,650	5,000
Atlas Br. Dominion No. 3	2,543	*4,375
Bonaventure pfd.	5,760	*4,375
Candn. Deposit. No. 1 pfd.	2,551	*4,375
Candn. Deposit. No. 1 gr.	2,551	5,000
Ensign No. 1 pfd.	Cellar	*4,375
Hastings No. 1 pfd.	6,527	*4,250
Lion-Davies No. 1 pfd.	2,814	*4,200
Major Oil No. 5 pfd.	5,862	4,375
Major Oil No. 5 gr.	5,862	5,000
Major Oil No. 6 pfd.	5,630	7,000
Major Oil No. 6 gr.	5,630	7,900
Major Oil No. 7 pfd.	7,266	7,600
Major Oil No. 7 gr.	7,266	8,500
Major Oil No. 8 pfd.	7,001	7,300
Major Oil No. 8 gr.	7,001	8,700
Major Oil No. 9 pfd.	7,787	*$5,300
Major Oil No. 9 gr.	7,787	6,500
Major Oil No. 10 pfd.	6,818	*4,375
Major Oil No. 10 gr.	6,818	5,000
Major Oil No. 12 pfd.	7,289	*4,375
Major Oil No. 12 gr.	7,289	5,400
Miracle No. 3 pfd.	3,302	5,800
Northclonmell No. 1 pfd.	2,711	*4,375
Northclonmell No. 1 gr.	2,711	6,500
Northcross No. 1 pfd.	2,455	*4,375
Northcross No. 1 gr.	2,455	4,800
Northend Pete. No. 1 pfd.	7,478	5,600
Northend Pete. No. 1 gr.	7,478	6,000
Northend Pete. No. 2 pfd.	4,432	4,700
Northend Pete. No. 2 gr.	4,432	5,400
Northend Pete. No. 3 pfd.	6,220	5,100
Northend Pete. No. 3 gr.	6,220	7,000

*Pegged price.

Oil From Far Sands of Alberta—A War Reality?

Munitions Minister Howe Starts Investigation Wheels Rolling as Oil Needs Soar

By GORDON M. GRANT

Oil from the Fort McMurray (Athabasca) bituminous tar sands —in quantity—is still a very real possibility, Minister of Munitions and Supply C. D. Howe revealed in the House of Commons last week.

Last February, it appeared war production of oil from the tar sands, if any, would likely remain on a small scale. Mr. Howe told the House of Commons at that time a very exhaustive report on the situation had indicated "that the location of the sands and the possibility of their development is too remote to be of any great use in this war."

Since then the oil situation has become critical and Mr. Howe has just revealed that the possibilities of extensive tar sands are being reinvestigated in the hunt for additional oil supplies. Said Mr. Howe:

"An intensive study of the tar sands is under way at the present time. That study was organized by my department, and we have interested in it the leading oil engineers of this country, not only men in the public service and on the staff of the National Research Council, but also engineers from industry. We have interested Consolidated Mining and Smelting Co., who have had a good deal of experience in meeting mining problems in that area.

"I may say that the mining of the sand itself is one of the major problems that has not yet been fully worked out. We have asked all these interests to prepare a report for the government and advise whether a development should be undertaken at this time and the extent of the development which the conditions would warrant, whether we should proceed with a pilot plant or whether the situation is such that we can immediately develop on a considerable scale. I am expecting the report shortly and appropriate action will be taken."

Raw Material Supply Huge

If the Athabasca tar sands are found practical for large-scale oil production, the supply of raw material would seem to be almost inexhaustible. The tar sands have been estimated by the Dominion Mines Branch to contain 100 billion barrels of oil. The United States Bureau of Mines has estimated the proven reserves at 250 billion barrels. Reserves of proven oil in oil wells of the world have been estimated by the United States Geological Survey at only 24.5 billion barrels. On the assumption of these official estimates, the tar sands of northern Alberta contain on the first estimate four times the quantity of the world's proven oil reserves and on the second estimate some ten times the oil reserves in the rest of the world.

While investigations for Mr. Howe are going on, Abasand Oils has been building a new plant to have a capacity of 600 bbls. of oil daily and this plant will likely be in operation within a few weeks if it is not already turning out oil.

Past Output 21,476 Bbls.

Abasand Oils initial production commenced on May 19, 1941, and continued until the first plant of 350 tons daily capacity was burned during the fall. The Alberta Conservation Board record of production was as follows:

	Sept.	May 19 to Sept. 30
Oil sand mined, tons	4,027	18,852
Crude oil output, bbls. ..	3,440	16,928
Gasoline, bbls.	192	1,069
Diesel & burner oil, bbls.	1,162	3,479

Altogether the yield was 21,476 bbls., more than a barrel for every ton of tar sand mined and processed.

Noting the first production of oil from the tar sands, the Conservation Board stated:

"While the quantity is not a large percentage of the total oil produced in the province, it does show the results of several years continued application to the difficult problems involved in its production. This oil has been produced commercially from the high tar sand for use in northern metal mining operations by strip mining methods, followed by plant extraction and refining."

Consolidated Smelters is understood to have used the oil at their mines in the North West Territories.

Party Just Returned

A week ago an important party of oil men returned from the Fort McMurray area where it is understood they made a survey of the situation. Apparently it is from this party Mr. Howe expects an early report.

Head of the party was W. S. Kirkpatrick of Calgary, the Alberta manager of Nitrogen Products Ltd., operated by Consolidated Smelters. Smelters is understood to have taken at least an academic interest in the tar sand development question for some time.

Dr. G. S. Hume, eminent Canadian oil geologist, and representative of the Oil Controller in Alberta, was another member of the party. Others were G. G. Ommanney of Montreal, Development Commissioner of the C.P.R., and Gordon M. Hutt of Winnipeg, Assistant Development Commissioner; Fred V. Seibert, Winnipeg, Industrial Commissioner for the C.N.R. Western Lines; E. A. Smith of Petrolia, Ont., petroleum technologist for Canadian Oil Cos.; Max Ball of Edmonton, president of Abasand Oils, the operating company in the Fort McMurray area, and C. V. Humphreys, that company's refining engineer. The party is understood to have visited the Abasand refinery and separation plant and to have observed rebuilding operations. The original Abasand plant was destroyed by fire after several months' production last year.

Reports on Product

J. L. Irwin, statistician of the Department of Lands and Mines, Province of Alberta, comments on the Abasand 1941 record as follows;

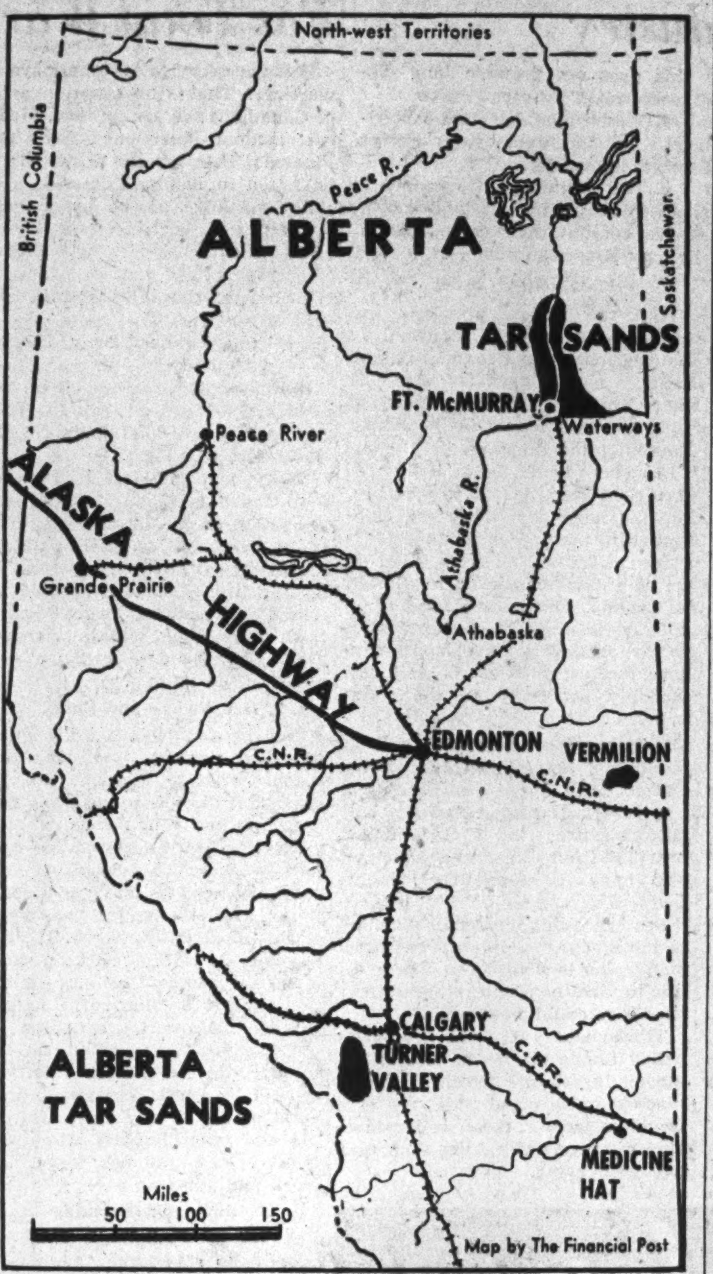
"With reference to the recovered product in its relationship to the sands, it might be stated that on the basis of 250 tons of sand which has been processed, approximately 175 barrels of crude oil is recoverable, from which 43% of high test gasoline, containing a high octane or antiknock rating, equal or even superior to processed gasoline, to which ethyl liquid has been added for anti-knock purposes, is obtained."

In June, 1941, The Financial Post reported that the Abasand 350 barrel plant started at 80 barrels a day, had worked up to 200 barrels a day and had shown an ability to turn out as much as 400 barrels of oil in a single day.

Like Mining Operation

Recovery of the oil is much like mining. There is no well drilling, the accessible oil sands are dug out by steam shovel at surface. The oil is separated from the abrasive sand particles by a "hot water process." This is similar to the mining process of flotation. The oil thus derived, essentially different from the oil field variety and initially low grade, is put through a digester before processing in the refinery takes place. This has the effect of raising the octane rating considerably. While it is understood that the gasoline yield may be relatively low, this can be offset by the high value of by-products which include asphaltic road material and Diesel fuel.

Abasand already has a pipe line for delivery of its products to Waterways, the head of rail to the north. The Abasand plant is located on the Horse River, near Fort McMurray, and only a few miles from Waterways.



Map shows location of the Fort McMurray bituminous tar sands in relation to rail facilities and the Alaska highway now under construction. Tar sands cover an area of 10,000 square miles; might be extended to an area of 30,000 square miles with further work, it has been suggested.

The fact that representatives of the C.P.R. and C.N.R. were included in the party to the Fort McMurray area suggests that transportation is one of the big problems in getting production on a large scale from Athabasca down to the south on a competitive basis.

Mr. Ball has held that the relatively low cost of recovering the oil from the tar sand would offset the high cost of shipping the crude by rail to a refinery capable of handling say 10,000 barrels of crude a day at Edmonton. Cost of putting in a recovery plant at the Fort McMurray location and installing a 10,000-barrel a day refinery at Edmonton was placed at $8 millions by Mr. Ball some time ago.

Big Pipeline Justified?

If the project is feasible—and that apparently is yet to be determined—construction of a pipe line the 307-mile rail distance from Waterways to Edmonton (perhaps only 250 miles for a pipe line) might serve to reduce the shipping cost a great deal. As huge supplies of oil would be in reserve, it would not be necessary to allow any important amount for amortization of the investment in pipe line facilities, the major considerations being operating expense, wear and tear and depreciation.

Steel for a pipe line even 250 miles long, however, would be difficult to secure in wartime. It is noted that 1,400 miles of pipeline is being pulled up in the United States for laying in other areas, so great is the present shortage of steel.

As a pipe line haul, a 250-mile distance would not be great. Canada is bringing oil from Oklahoma to Sarnia by pipe line, a distance of not much less than a thousand miles. The British pipe line from Iran and Iraq is not believed to be any less than a thousand miles.

Overburden a Factor

The tremendous reserves of tar sands in the Athabasca area are not all readily accessible. A large proportion are covered by heavy overburden. It is estimated nevertheless that perhaps a billion barrels of oil could be secured before any serious worries would develop about getting the oil from the sands under heavy overburden.

With additional surveys of the vast McMurray tar sand area, it is possible that the original estimate of 10,000 square miles for this area may be extended to 20,000 or even 30,000 square miles, it is stated. The outcrops are confined to a total of about 20 square miles. Some of these outcrop areas carry from 100,000 to 125,000 barrels of oil to the acre while others may run even higher.

Development of the Athabasca tar sands resembles the development of a number of Canada's large base metal mining operations. Working out of a recovery process has not been simple and years of research have been necessary. A satisfactory process may not yet have been developed for the tar sands but it appears the experts are "getting warm." Research has been carried on intensively for the better part of a decade and even if a final process has not been evolved, many of the main stumbling blocks may have been eliminated.

B. C. Oil Well Programme May Be Run From Ottawa

From Our Own Correspondent

VANCOUVER. — The Canadian government is expected to accept the offer of British Columbia for full wartime authority to develop the province's potential oil field in the Peace River country.

One of his first moves after taking over the premiership was Hon. John Hart's suggestion that Ottawa assume control over exploration and drilling in the Pouce Coupe area where the provincial government has been financing operations for past two or three years, so far with indifferent success.

The understanding here is that, in the event of the Dominion accepting the offer, a group of large oil companies would enter the field to ascertain what the productive possibilities of the Peace River are.

Anglo-Canadian and Home are two Canadian companies said to be interested in such an arrangement, and Gulf, which some months ago tried unsuccessfully to acquire acreage in the Peace River country, has also been mentioned.

Three members of the British Columbia cabinet most directly concerned have been in Ottawa for several days—Premier Hart, Resources Minister Herbert Anscomb and Attorney-General R. L. Maitland. It is reported they have taken part in conferences there with federal officials regarding the oil proposals.

Terms of the province's offer are, roughly, that the Dominion government be given full authority to proceed with development in whatever manner seems practicable, without taxation, royalties or other charges until at least six months after the war.

The province feels that the Dominion government is in far better position to make something out of the Peace River's oil resources and that the need for oil is definitely a national issue today. The province is ready to co-operate to the fullest possible extent in getting the field producing.

Reversal of Policy

The present provincial policy appears diametrically opposed to that of ex-Premier T. D. Pattullo who visualized a provincial oil monopoly in the north, selling to established companies on a wholesale basis. Pattullo still attacks the Hart programme by charging that "wealthy oil interests" have been seeking control of the field for a long time.

Continued drilling of the initial well at Commotion Creek was authorized at the last session of the provincial legislature, on the advice of geologists that the next few hundred feet would yield important data for development in other sections of the valley even should the well itself prove a failure.

It is recalled that shortly after the last war the D'Arcy Exploration Co., offshoot of Anglo-Persian, sought drilling rights in the Peace River area, but was unable to negotiate a deal with the government then in power. Several preliminary holes were drilled, the last in 1922.

Amalgamated Oils

Net proceeds from production of $137,412 were realized by Amalgamated Oils in the initial period of operation from May 1, 1941, to Jan. 31, 1942. After paying $120,000 in dividends and setting up a charge of $337,129 for amortization and depreciation of property and rights, a deficit of $319,717 was carried forward.

The company is a consolidation of nine other companies: Coronation Royalties, Firestone Pete., Foundation Pete., Frontier Royalties, Monarch Royalties, Prairie Royalties, Spy Hill Royalties, Sundance Royalties, and Westflank Oil Co. As a result of the consolidation a considerable saving in expense has been possible, it is stated. Amalgamated owns a total of 11 wells.

Balance sheet as at Jan. 31, 1942, shows total current assets of $109,351 including $61,206 cash. Current liabilities were $101,781.

Sherritt Mills Record Total

But Copper Production Not Increased in Quarter As Lower Grade Treated

A record tonnage of ore was treated by Sherritt Gordon Mines in the first quarter of the year but copper output was not increased due to treatment of lower grade ore. Operating profit was slightly higher but increased taxes kept earnings practically unchanged from the first quarter of 1941.

Total of 195,973 tons of ore was treated in the quarter, an average of 2,177 tons daily. Costs were up appreciably over those of the past year partly as a result of a considerable increase in the amount of current development and exploration work.

Operating profit after taxes for the quarter amounted to $222,133 compared with $222,821 for the first quarter of 1941.

Labor Shortage Ahead?

Labor turnover continued at a high rate, amounting to approximately 10% of the total crew. The recent freezing of labor on the farms has cut the company off from the reservoir of unskilled labor in the prairie farming areas. Approximately 23% of the crew are subject to call for compulsory military service.

Equipment for zinc concentrate production is being installed. Slow deliveries of essential equipment have held up this work but it was hoped to have the plant ready for operation about the beginning of May.

Three deep diamond drill holes were completed during the first quarter on a section 1,000 ft. in advance of the most westerly mine workings. The first two holes were blanks but third cut 10.5 ft. of good grade ore at a vertical depth of 2,015 ft. The ore intersection is at least 1,000 ft. away from the nearest known ore.

New Deposit Low Grade

By the end of March, a total of 30 diamond drill holes had been drilled to explore the copper-bearing sulphide deposit which was located in December. Both ends of the deposit have now been delimited, indicating a sectional tonnage of about 4,000 tons to the vertical foot.

The grade of this deposit as indicated by drilling to date is approximately 1.2% copper, which is definitely unworkable at the current price.

At the Josephine iron mine in the Michipicoten area, a mining plant has been installed with shaft sinking in progress. By the end of March, the shaft had reached 273 ft. with a station cut at 265 ft. Diamond drilling of a siderite deposit on an adjoining property was carried on throughout the period "with very encouraging results."

Mining Concentrates

A manganese prospect is being examined by the Timmins-Chromium M. & S. interests at a location 27 miles from Sault St. Marie.

* * *

Base Metals Mining Corp. maintained production at capacity the first quarter of 1942 with estimated operating profit of $54,518. There is sufficient ore of present grade developed to permit milling at the current rate for the next three months. A further quantity of low-grade ore, enough to supply the mill for approximately four months, is on hand but the treatment of this would entail an operating loss at present metal prices. Exploration and development work is proceeding.

* * *

Gold Belt Mining Co. has declared 2 cents a share payable June 15, 1942, to record May 30. A similar dividend was paid in May, 1941.

* * *

Hard Rock Gold Mines has declared 3 cents a share June 17, 1942, to record June 1.

* * *

Howey Gold Mines has declared 2 cents a share payable June 29, 1942, to record May 26.

* * *

Jerome Gold Mines, as a result of labor shortage, treated a reduced tonnage most of the first quarter but is now back to normal. Costs were higher in the early part of the year, but showed a considerable improvement in March. A community club building has been completed and is now in use. A number of new cottages have been built and a new bunk house is under construction. Tonnage treated during the first quarter was 39,613 from which 6,997 oz. of gold was recovered. Operating profit was $61,245.

* * *

Kiena Gold Mines maintained its claims in good standing in 1941, the annual report states. There was no activity on the property last year. Balance sheet as at Dec. 31, 1941, shows current assets of $5,044, including $4,868 cash as against current liabilities consisting of unclaimed wages of $75.

* * *

Lebel Oro Mines made no discoveries on its Burnt Bush claims in 1941 and it was decided to abandon the claims. Sale of equipment from the Long Lake property is now nearly completed. Balance sheet as at Dec. 31, 1941, shows current assets of $77,491 including $70,907 cash against current liabilities of $109.

* * *

Leitch Gold Mines had net profit of $69,696 or 2.4 cents a share the first quarter of 1942, compared with $81,694 or 2.9 cents a share the preceding quarter and $64,958 or 2.3 cents a share the first quarter of 1941.

* * *

La Luz Mines realized operating profit of $401,615 in the three months ended Mar. 31, 1942, and a net profit of $276,745 after allowing for write-offs for depreciation and preproduction expenses.

* * *

Mining Corp. of Canada will have six prospecting parties in the field this year and an interest in a seventh party. The prospectors will search principally for strategic minerals.

* * *

Michipicoten Iron Mines has completed its shaft to a depth of 273 ft. at its Josephine iron mine with a first level cut at 265 ft. depth.

* * *

Normetal Mining Corp.'s equipment to allow treatment of an extra 150 tons a day went into operation the end of January, it is stated. It has been found that due to increased copper content in ore coming from the lower levels, additional flotation machines will be required before full advantage can be taken of the new equipment. The necessary flotation cells are on order. Shaft sinking below the 2,000-ft. level was resumed and has reached the 2,300-ft. level where a station is being cut. It is proposed to open four new levels at 150-ft. intervals. Estimated operating profit for the quarter was $197,067.

* * *

Ontario gold output totalled $26,153,867 the first quarter of 1942 against $30,171,854 the first quarter of 1941. Tonnage milled dropped to 2,707,928 tons against 3,035,647 tons the first quarter of 1941. Reflecting the strike, production in the Kirkland Lake area was hardest hit.

* * *

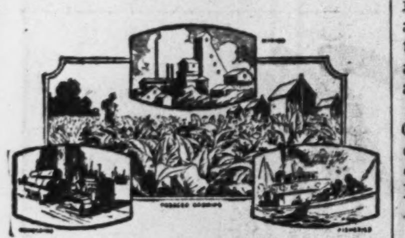
Toburn Gold Mines, a subsidiary of Premier Gold Mining Co., controlled by American Smelting & Refining Co., has taken over the Grenfell property of Kiryan Gold Mines to investigate tungsten possibilities reported by a Dominion government geologist. Toburn has installed a Diesel plant and has 15 men engaged in dewatering old workings. Dewatering has been carried to 170 ft. The shaft is 250 ft. deep with 1,700 ft. of underground workings.

* * *

Thompson-Lundmark Gold Mines has deepened its shaft to 586.5 ft. and two new levels are to be opened up at 450 and 600 ft. depth. Production of $214,497 was secured from milling 8,981 tons of ore in the three months ended Mar. 31, 1942, giving an average recovery of $23.88 a ton. Operating profit for the period was $83,387.

* * *

United Gold Equities has declared 5 cents a share payable June 30. Previous semi-annual dividend was 6 cents.



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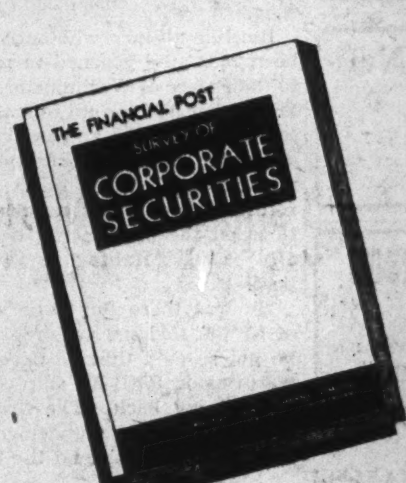

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Builders Made Trustees By Lien Act Amendment

Ontario builders and contractors will soon come under trust fund regulations. An amendment to the Mechanics' Lien Act, passed at the last session of the legislature and effective as of June 15, requires them to keep separate accounts for each job. Payments received on a particular job must be earmarked for wages and materials connected with that job.

One purpose is to protect an owner who has paid the contractor from having liens made against him by sub-contractors which the contractor has not paid.

It is alleged that some builders have often been paying for materials with receipts from other jobs. This practice has not only caused difficulties for owners but has piled up bad debts on the books of firms dealing in building materials.

The legislation is expected to eliminate this abuse. It may also have a bearing on construction costs, since these now have to cover bad debts, on the basis of past experience.

Tried in Manitoba

The regulation Ontario is adopting has been tried out in Manitoba since 1932, and has proved highly successful.

Those who violate the section will be liable to conviction under Section 390 of the Criminal Code, which provides a maximum sentence of seven years imprisonment.

The Ontario Legislature has also passed an amendment to the Mortgage Act, limiting the liability of the builder under this statute to a period of one year after the expiration of the mortgage.

The trust fund regulation had been advocated by the Canadian Construction Association, the Ontario General Contractors' Association, the Toronto Builders' Exchange, the Lumbermen's Credit Bureau of Toronto and the Toronto Home Builders Association.

War Labor Board Rules Mine Wage Case Closed

Reconsideration of applications for wage increases made by the United Mine Workers of America on behalf of Nova Scotia coal miners was unjustified, the National War Labor Board has ruled.

The board in its original findings said it had not been shown that the basic scale of wages was low within the meaning of the government's wage order. Cost-of-living- bonuses being paid were properly calculated, the board ruled.

Permission was granted for certain adjustments of basic minimum rates in the Acadia and Old Sydney Mines when conditions made such payments possible.

Workers involved are employed by the Dominion Coal Co., Acadia Coal Co., Old Sydney Collieries Ltd. and Cumberland Coal Co.

Holidays in War—1942 Pattern

War Brings New Slant To Vacation Industry

Throughout Canada and the U.S. holiday plans are being revamped because of gasoline and tire rationing. Long motor trips are completely out of the picture, and it's anticipated that this, combined with other factors, will reduce to a small trickle the huge stream of tourist traffic which usually pours across the border from the States in the summer months.

Ottawa officials estimated recently that American visitors would leave only $40 millions in Canada this year, compared with $108 millions in 1941. In the light of new developments, even this low estimate may have to be scaled down.

Here is the situation:

1. Americans entering Canada by car can only get four ration units of gasoline—20 gallons on the present rationing basis—to last for the duration of their stay. They can only get this allowance once during the year. There is no certainty that it will not be further reduced in the near future and it is likely that what gasoline they get in Canada will be deducted from the amount allowed them in the States. Up to May 15, Americans entering Canada had been entitled to 100 gallons of gasoline if they were staying for more than 48 hours.

2. Washington is definitely discouraging pleasure driving of all kinds—touring included. Americans have been told that auto jaunts have to stop—that, in addition to the shortage of gasoline, their tires must be preserved.

3. It is reported that the U. S. will soon ration rail and bus travel. Whether or not this comes immediately, transportation facilities across the border are already overtaxed, and the knowledge of this does not promote long distance travel by vacationists.

4. Washington has told Americans not to travel by air except in an emergency.

5. The Dominion Government, and most provincial governments, have cut out their campaigns to attract American visitors.

Hotels Stay Closed

That the tourist prospects are anything but bright is indicated by the decision of the Canadian Pacific Railway not to open its hotels at Lake Louise, Yarmouth, Emerald Lake and four lodges in the Rocky Mountains this summer.

Elsewhere some resort hotels report good bookings for the season. For the most part these are close enough to the border that the tourist can drive to and from them on the 20 gallons of gas he is allowed in Canada. Others are located on railway lines and steamship routes. So far, steamship travel appears to have escaped restrictions, and will probably be heavy on the Great Lakes.

Most persons with money tied up in summer hotels, overnight camps and so forth appear resigned to a poor season's business. Not only will patronage from the U. S. be down, but that from Canadians, who will also have to curtail their motor tours.

By exercising extreme economy in the use of their quarterly ration, many plan to save up enough gasoline to take them to a resort of their choosing, and home again.

Throughout Canada cottages handy to the centres of population, especially those which can be reached by bus and train, are at a premium, while those a considerable distance away from such centres go begging.

Are Vacations Needed For Total War Effort?

Is it necessary to take holidays in wartime? That's the question a lot of Canadians are asking now. Medical leaders questioned by The Financial Post say the answer is to be found in Kipling's lines—

"Nations have passed away and
left no traces,
And History gives the single
cause of it,
One single simple reason in all
cases,
They fell because their people
were not fit."

Holidays, the medicos claim, are needed if we are to keep fit. They add that if we don't keep fit, the war effort will lag.

"More than ever, it is essential that Canadians take holidays this year," Dr. H. M. Harrison, director of the Canadian Medical Institute, a health organization supported by leading life insurance companies, told The Financial Post. "Most of them have been working in high gear. They need a let-down — a break in the tension.

"Get Away—and Relax"

"Where or how a holiday should be spent depends upon the individual—what he likes to do. The important thing is to get away from your job and relax."

Dr. Harrison expressed the opinion that those who do heavy physical work need holidays as much as those who are under the mental strain of executive work. If at all possible, he said, a vacation should include a change of scenery—relaxation amid unfamiliar surroundings.

Where circumstances ruled this out, the vacationist should at least indulge in the simple luxury of lying late a-bed, and simulating a rural outing in city parks. Gardening and other hobbies would help holiday stay-at-homes forget their work and store up energy.

Some Go Farming

A lot of Canadians, this year, propose to spend their holidays as farm workers, combining exercise and fresh air with a service to the country. This is particularly true in Ontario, where the government has successfully dramatized the part farm workers play in the war effort.

For those who come in this group Dr. Harrison has a word of advice—"Don't take it too strenuously." Office workers are not used to heavy manual labor, and are prone to pitch in with a burst of enthusiasm and wind up with muscles that ache like abscessed teeth. Instead of working themselves into physical condition, they may overdo it, strain themselves, and impair their health. This applies more to those who are not as young as they used to be, and are not accustomed to vigorous exercise.

Medical men like Dr. Harrison, who hold that holidays are vital, find evidence to back them up in industrial studies which have been made of the effects of fatigue. In Britain after the fall of France there was a period when workers toiled seven days a week. It was soon discovered that efficiency was impaired and production suffered.

In Germany, where nothing is done for humanitarian reasons, the Nazis recognize that holidays make workers more efficient. Thus the so-called "strength through joy" movement.

Future Vacation Travel

As to the future of vacation travel in Canada, if and when pleasure driving is banned completely, and if it becomes necessary to ration other forms of travel, there are some who favor an adaptation of the group hiking plan which was popular in Europe before the war. This has already been tried to some extent in the Dominion by youth organizations, but could be spread out on a larger scale to take in all classes. Parties would set out on foot, covering about 10 miles a day and stopping overnight at previously arranged lodgings. Something might also be done in the way of organized bicycle tours. This, too, would have a European precedent.

These things sound a little fantastic at this stage. But lack of automobile tires and the present gasoline ration would have sounded fantastic not so long ago.

London Calling

by Adelphi

LONDON.—Events are dominated by personalities.

That is an axiom as old as Cardinal Richelieu or Julius Caesar. Not that W. J. ("Bill") Brown M.P., has much in common with either of them except the urgent desire to "divide and rule." Brown was in Parliament for a short time but lost his seat in 1931. He is thick set, ambitious, a man of the people with a gift of epigram, a fruity baritone voice, humorous eyes and a deep faith in the star of W. J. Brown. He became the Secretary of the Civil Servants' Clerical Association and fought for the rights of the members with zeal and cunning.

But like all men who once have been M.P.'s he yearned to return to the Palace of Westminster. Last September he flew out to America to make speeches and arrived in a strange and wonderful yellow panama hat. When he tried to return he could get no reservations on the clipper and eventually reached Halifax to await a boat.

He was there for three weeks or so and told me yesterday that he got so cold that he never got warm again until his ship caught fire coming back. The fire was eventually brought under control after they had manned the boats.

* * *

The Browns of Rugby

On his return Brown rushed to Rugby (no doubt remembering the magic association of the Brown family with that place) and set up as an independent candidate in the by-election caused by the elevation to the peerage of David Margesson, the former chief government whip. Brown fought a shirt sleeve, Barnum and Bailey election. He roared through the streets with a megaphone, he bellowed at the passengers coming off the trains, he drove a milk cart and generally lit the old place up.

The Conservative and Socialist parties both officially disowned him. So did the Communists. His reply was that the country was sick of all three. Whereupon he won the by-election! His stately opponent, asked why he had lost, replied with Tory honesty: "God alone knows." Bill Brown thought he knew, too.

* * *

Forty Independents

I have given you this Brown saga because on the same day as he scored his touchdown at Rugby another independent in a simultaneous by-election did the same thing. It is true that the Hon. Leonard Cripps, also an independent, was crushingly defeated despite the alleged magic of his name but the headquarters of the Socialist and Tory parties were gravely disturbed.

Churchill, too, was annoyed. A few facile critics said that the tide was running against the government, which isn't true. It is really the stundy British spirit of independence breaking out. The political "truce" is not popular. They don't want "rubber stamp" candidates forced on them without a battle at the poll. While I am writing these ephemeral words the voting is going on at Putney, that salubrious suburban district that lies between Kensington and Wimbledon.

In other words the "Independents" are a growing power whatever may happen at Putney. I would say that they number at least 40 actual and potential freebooters in Parliament including Lord Winterton, Leslie Hore-Belisha, Ernest Shinwell, Clem Davies and the one and only Bill Brown. Politics in Britain, after the war, are going to be anything but placid.

* * *

Ration Rebellion

In a few hours in the House of Commons there will be a revolt against Dr. Dalton, the President of the Board of Trade, who has tried to foist upon the people a vast bureaucratic scheme of rationing of heat and light.

In essence the scheme makes every householder a sort of Gestapo agent watching himself. We should have to read our own meters, count our lumps of coal and generally spend our lives making sure that we have not exceeded our ration of gas, coke, coal, or electricity. For if we misread the meter then the law will be upon us.

* * *

Beveridge in the Background

The author of the fuel restriction plan is that curious figure Sir William Beveridge, 62 years of age, an opinionated economist, a specialist on almost everything, a cross between a light comedian and a bishop.

It was his influence at the London School of Economics that started so many young men leaning toward the left. At Charterhouse and Oxford his career was so brilliant that everyone stood aside to make room for him. He could not begin to tell you how many reports he has brought out for the government of the day. The words "The Beveridge Report" are so common that they rouse no curiosity.

During this war he brought out a report on the misuse of man power in the army. He once published an essay called "800 thoughts about women." He was asked by Stanley Baldwin to report on the coal industry. Whenever a government is in doubt, it puts Beveridge to work. To him a report is a form of self-expression.

Even when he presides over a large committee, he writes his report by hand and gloats over it.

But this time he has run foul of the British housewife. That formidable female has never been beaten and I think Beveridge is in for a bad time no matter how defiantly Dalton booms in his defense.

New Books . . .

Chair Waiting!

THE INTER - AMERICAN SYSTEM, a Canadian view. By John T. Humphrey. Macmillans in Canada, issued under the auspices of the Canadian Institute of International Affairs.

In the fine edifice Andrew Carnegie money built for the Pan American Union at Washington there are 22 boardroom chairs, each marked with a crest of 22 states in North and South America. Around the walls are the same 22 crests. On a chair and on the wall is Canada's crest.

But Canada is not a member and no Canadian has yet officially sat in the one empty but Canada crested chair.

Professor John Humphrey believes strongly that without further delay, Canada should join the Pan American Union; should assume her hemispheric duties; should protect her hemispheric interests; should lend her strength now to establish international bodies like the Pan American Union which may provide such important foundation masonry for reconstruction and reorganization of the postwar world.

Professor Humphrey is the dynamic young associate professor of law at McGill University, who formerly practised law in Montreal, who has had extensive training and travel in France and in Latin America.

The author finds neither in law, logic nor sentiment is there validity to any of the hoary excuses for Canada's failure to join the Pan American Union. He shows that in her own self interest, in her obligation to her ideals, in her pursuit of her destiny, Canada must join—and at the earliest opportunity.

What the author thinks in this regard comprises a small proportion of this 300-page volume. He traces the growth of co-operation and consultation between the states of North and South America from their roots—from the conference at Panama in 1826.

A professor of law, Mr. Humphrey stays close to his own field most of the time and reports the unfolding of Pan American co-operative action in detail and with authority. He mentions, but reports only briefly on, the achievement of associated activities of Pan Americanism in fields of health, cultural activities, trade, etc.

Once there was a wide suspicion that the Pan American Union was Washington's "Colonial Office," for the "imperialization" of South America.

Mr. Humphrey has no such suspicion. For Uncle Sam's good neighbor policy as presently applied, the author apparently has a very high regard. But, he emphasizes, Canada must protect her interests in South America and can best do so by taking the chair awaiting her in the Pan American Union Building at Washington.

France Waiting to Revolt

UNCENSORED FRANCE. By Roy P. Porter. Published by Longmans, Green and Co., Toronto. Price $3.50.

Roy Porter was an Associated press correspondent who remained in Paris after the Nazi conquest, leaving the country last fall, just before Germany and the United States went to war with each other. He gives a racy account of what life is like in unoccupied France, including reports on many incidents that he could not previously get by the German censors.

Much of the material relates to the unconquerable elements in the French population; those who make life very troublesome for the swaggering bullies who have occupied their countries. Porter is certain that when the British are able to invade the continent there will be an anti-Nazi uprising in France.

There are some intimate pictures of Petain and of Laval. Roy Porter is the man who got the famous interview with Laval in which the latter prophesied that when Hitler got through with Britain there would be only a grease spot left.

Democracy's Moral Code

LIBERTY, EQUALITY, FRATERNITY. By Nicholas Murray Butler. Published by S. J. Reginald Saunders, Toronto. Price $3.

A collection of addresses and essays by the veteran head of Columbia University. All emphasize the fundamental principles of democracy—moral law and moral principle.

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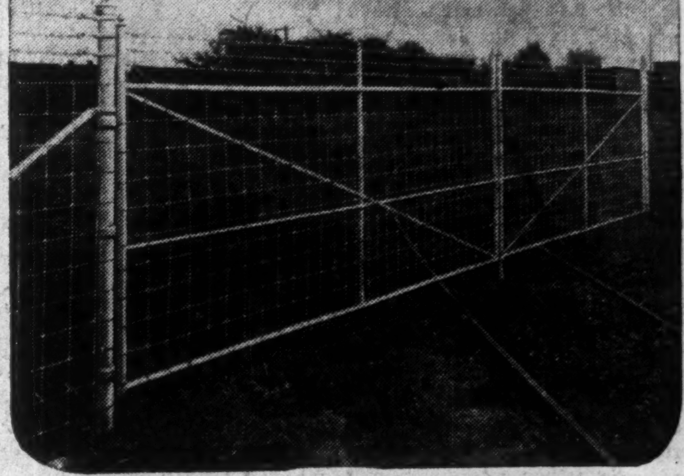

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